

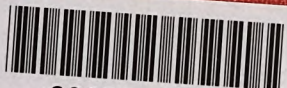
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# MILITARY HANDBOOKS

ORIGINALLY EDITED BY

MAJ.-GEN. C. B. BRACKENBURY

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## *HOW TO CHECK A PAY LIST*

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*CAPT. G. W. REDWAY*





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*VOL. IX.*

*HOW TO CHECK A PAY LIST*

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# HOW TO CHECK A PAY LIST

LETTERS TO A YOUNG OFFICER ON  
SOLDIERS' SETTLEMENTS AND  
PAYMASTERS' ADVANCES

BY

CAPTAIN G. W. REDWAY

RESERVE OF OFFICERS  
DEPÔT NORTHAMPTONSHIRE REGIMENT  
ACTING STATION PAYMASTER

BEING THE NINTH VOLUME OF

**Military Handbooks**

FOR OFFICERS AND NON-COMMISSIONED OFFICERS

ORIGINALLY EDITED BY THE LATE

MAJOR-GENERAL C. B. BRACKENBURY, R.A.

DIRECTOR OF THE ARTILLERY COLLEGE

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1901



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## PREFACE

THE writer of the following Letters has aimed at giving an *exposé* of our system of account-keeping for the Troop Battery and Company. The subject is not an attractive one to young officers, commissioned or otherwise, but it has been shorn of some of its terrors perhaps by a mode of treatment suggestive of a familiar conversation rather than a scientific treatise.

Of course, it has been impossible to do more than exhibit the *rationale* of the system and inculcate general principles. Matters of detail must be mastered by study of official books, especially *Financial Instructions*, *Royal Warrant for Pay*, and *Allowance Regulations*, and of the various Army Forms which are required as vouchers to an army account.

Since these pages were in type the War Office has issued 'Instructions relating to the Pay Duties of Officers Commanding Companies, &c.,' a little pamphlet of a dozen pages which may be read with profit by those who have succeeded in mastering the principles of account-keeping, but which is, and must be, 'caviare to the general.' It is obvious that instructions, for

instance, to 'carefully examine the balance sheet so as to satisfy himself that no liabilities have been omitted and no fictitious assets shown' are of very little use to an officer who has yet to learn what *is* a balance sheet, what *is* a liability, and what *is* an asset.

It is to the novice and not to the expert that the following Letters are addressed: they were written not by the War Office accountant for the experienced official, but *by a company officer for company officers* and their comrades in command of troops and batteries.

G. W. R.

May 13, 1901.

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### *Errata*

Page 54, line 2 from bottom, *for* col. 27 *read* col. 28

„ 55, „ 2 from top, *for* col. 28 *read* col. 29

„ 55, „ 4 from top, *for* col. 29 *read* col. 27



# HOW TO CHECK A PAY LIST

## LETTER I

### THE IMPORTANCE OF PAY DUTIES

Aldershot, January 1, 1900.

MY DEAR —,—You have asked me to give you some information and advice about your Company Pay List, and I gladly comply with your request, because I know that you are taking your profession seriously, and wish to avoid the bad old plan of leaving 'Pay' matters entirely in the hands of a Colour-Sergeant. In this view I quite agree with you. I have always felt that when you have a good man like our friend Colour-Sergeant B—— you ought to learn how to appreciate him, which you cannot possibly do unless you have yourself mastered the detail of his duties. On the other hand, if you should ever get an inferior article appointed to be your 'Company accountant,' the sooner you find it out the better for yourself and him—to say nothing of the men in his charge. Besides, as you say, you are required a dozen times a year to sign a certificate to the effect that 'every circumstance affecting pay and allowances is correctly stated,' and it is scarcely honourable to make no attempt to ascertain whether you are stating the truth or otherwise about the matter. If the War Office studied economy only, no doubt soldiers would be paid by a Pay Office Clerk, but in this instance, at least, it is clear that something more than mere economy is aimed at.

B



The War Office has had the wisdom to perceive that the tie that should exist between the soldier and his officers can be vastly strengthened by the attendance of an officer at the pay-table, where, in performing a very dull duty, an officer can do so much to forge bonds of sympathy and even of personal affection between himself and his men; and what is more precious than that? It is odd that this important feature in the case is so much overlooked by Company Officers, and that in consequence their pay duties are often performed in a mechanical fashion, and as far as possible by deputy. The result is that many pay-lists are signed by officers who would be puzzled to explain the difference between Dr. and Cr., and who attempt to justify their ignorance by saying that clerical work is not soldiering. Even if this contention were true, and officers feel aggrieved that they are not always employed in leading a bayonet charge, the only right action on their part, I think, is to resign their commissions; it is hardly fair to go on signing papers which they never intend to examine, and pretending to perform duties which they studiously neglect. But I maintain that the contention—that administrative duties are foreign to soldiering—is far from being true. The truth is that nine-tenths of us will never see a shot fired in anger, and for all but the favoured few who are destined to see active service, the ‘business’ of soldiering is the acquiring of a personal influence over our short-service soldiers, and causing them, when transferred to the Army Reserve, to extol the Army and have a respectful admiration for the officers set over them. Such ascendancy in these days is really an affair of pre-eminence in every detail of duty, even in regard to office work. For the soldier is quick to notice who is really the ‘boss’ of his Company. Only the other day I heard a recruit reply to a question asked at lecture, ‘Who is the officer commanding your Company?’ ‘Sergeant —, who lives in the bunk and does all the work.’

There is something for a young officer to think about in that recruit’s reply. You, as a subaltern who has not yet passed for his Company, are expressly enjoined by regulations

to attend the monthly settlement of soldiers' accounts, and to make yourself acquainted with the system of keeping them. Seize this golden opportunity, my dear —, to master the subject of pay and allowances, and so let your men see that their appeals to you on matters of £ s. d. will be listened to, not only patiently but intelligently, and that their little money troubles will be adjusted by you yourself according to the regulations. Very often you will have to initiate inquiries about soldiers' emoluments, for, in spite of the School Board, many men are still so ignorant that they cannot tell you what they have had, or what they have got to receive in the shape of hard cash. Lately, I have had much to do with recruits, and I find not one in half a dozen can tell me what rate of pay he bargained for on enlisting, and time-expired men are befogged as to their various allowances and gratuities. They take no heed of the sums paid them daily or weekly, and receive, like dumb animals, just what is offered them. All the more need of supervision on the part of officers! On whom can these poor fellows depend for a helping hand, if not on their Company Officers? I am sure it must often hurt the newly Commissioned Officer to feel that when appealed to by his men his own ignorance of accounts prevents him from disputing whatever is laid down by his Pay Sergeant; he can, in such a case, only look wise and decide to back up his Company accountant, right or wrong.

You, however, have determined to thoroughly master the system of keeping soldiers' accounts, in order that you may be able to protect your men's interests when necessary, a resolution which is, I think, most praiseworthy; but let me warn you how difficult your path will be. Your excellent Pay Sergeant will resent what he will consider an unwarrantable intrusion, and will answer your inquiries with profuse explanations which are intended to mystify you more than ever. He will also find excuses for not giving you his service except at hours inconvenient to yourself. Do not blame him too severely. He is well aware that 'knowledge is power,' and that his hold over you - his superior officer—depends on

your being kept in ignorance of his craft. He naturally prefers that you should remain a mere machine to sign such Company papers as he lays before you. Perhaps he will 'go sick' if you press him too far. Nevertheless, you must persevere until you have obtained complete control over the Pay List; but afterwards you may let him go his way like a well-broken horse with a master hand upon the reins. There is a further difficulty which you will find it hard to surmount, however circumspect are your methods of procedure. It will almost certainly ooze out in the Mess that you are really trying to understand a Pay List, and great will be the 'chaff' about it. Some ill-natured person will certainly sneer at your 'keenness,' and, if you give him a chance on duty, you may even be reprimanded as 'fussy.' You will probably be told to leave such matters to your Colour-Sergeant; at least, it was so in my time. Indeed, I remember on one occasion I was censured for interference with my Colour-Sergeant by a Colonel, who not long afterwards ordered me to pay for certain stores lost by the N.C.O. in question. I must say that I felt it rather hard to have to pay for the neglect of a subordinate who was appointed to his office against my will, and afterwards shielded from my supervision by higher authority. Who has not had to part with a month's pay as the result of leaving pay duties in the hands of a Pay Sergeant? Will it ever be known what sums have been diverted from the soldier's pocket because the O.C. Company did not happen to know the mysteries of 'regimental bills'? Remember all this, my dear —, in the day of tribulation, and persevere in spite of all obstacles. The day of triumph will surely come sooner or later, as it did to me, years ago, in similar circumstances. I was a Subaltern placed in command of a Militia Company which was supposed to be 'run' by a Colour-Sergeant from the Dépôt, whose chief merit as a soldier was, so far as I could discover, that he had once blacked the boots of the Dépôt Adjutant. This worthy had a drinking bout at the termination of the training, and was placed in arrest, when I found myself face to face with about seventy fine fellows, who were not disposed to

stay one minute longer in barracks than was necessary to secure their pay and bounty. Well, I had the hardest day's work I ever had in my life, but I got my men away in good time, and in excellent spirits at having for once avoided the 'cap' which it was then usual for the Colour-Sergeant to pass round as each man got his settlement. I must, however, confess that I had anticipated just such a difficulty, and had profited by my Company accountant's weakness to get a firm hold over the finances of the Company.

Since those days I have picked up, in one way and another, most of the information about pay matters which is worth knowing, bearing in mind that it is not necessary for a Company Officer to qualify as a Pay Office clerk. And I think I can put you in the way of understanding your Pay List, if you will let me write to you occasionally, just as the ideas occur to me and opportunity serves.

## LETTER II

## THE PAY LIST DESCRIBED

Colchester, February 1.

MY DEAR —,—If you had simply asked me to furnish you with a few 'tips' about checking a Pay List, in order to satisfy an Inspecting Officer, I should enclose an infallible recipe, one which, if learnt by heart and acted upon mechanically, would cause you to be regarded as an expert accountant. You would, of course, not understand what you were doing, but the 'tip' would serve its purpose if it imposed upon the credulity of one as ignorant of accounts as yourself. You will hardly believe me, I fear, when I tell you that the average Pay Sergeant goes only one step further than this. He does not, it is true, work on a system of 'tips,' but he does work entirely by 'rule of thumb.' By dint of daily practice he has come to know just where to place his figures in that intricate network of lines and spaces called Army Form N 1505, but if you ask him to explain the rationale of his proceedings you will find him quite at a loss. One such N.C.O. of my acquaintance, who found the Company balance sheet out of gear, righted it by the ingenious process of altering the balance of the funds. I believe he intended no fraud; certainly he had nothing to gain by it; he was probably simply bewildered, and invented on the spur of the moment a method of squaring his ledger and balance sheet, which might have necessitated his appearance before a D.C.M. However, I pointed out to him the unwisdom of pursuing the avocation of Company accountant, and he gladly took the hint and resigned his colours. The questions you

asked in your last letter convince me that you have yet to learn the elements of book-keeping, but 'never despair'; you were always a fair mathematician, and if you will exert your reasoning powers and let your imagination have free play (I am not joking), you will 'stay the course' I have no doubt. You see, there are certain principles which underlie every one of the existing systems of accounts, and what you have to do is to master those principles, for when you have once acquired the knack of getting clear of the fog of 'detail' and of grasping the root of things, you will be able to master any system of accounts, just as a man can 'do' any sum when he knows by what rule of arithmetic he is to proceed.

In my subsequent letters I shall no doubt frequently repeat myself and appear to be eternally dwelling on elementary matters, but my object will be gained if I saturate your mind with a few really essential ideas, so that you can yourself afterwards apply the principles to any particular case you may have to deal with. Remember always that in whatever Protean forms financial statements may present themselves, such documents when properly analysed always resolve themselves into a simple Debtor and Creditor account. What I want to teach you, then, is the knack of finding out for yourself what is Dr. and what is Cr. in regard to Pay accounts.

I have just taken up one of my Pay Lists as prepared for the Station Paymaster, whose sub-accountant I am, and although I happen to be more familiar with these documents than most Regimental Officers, having for some months past commanded four Depôt Companies, composed of almost every description of infantry soldier now serving, I must confess that Army Form N 1505 presents a most forbidding appearance, and I can well understand how it terrifies one who looks upon it for the first time. Its long leaves and short leaves, its fancy rulings and printed headings, turned this way and that way, divided and subdivided into forms 1, 2, 3, 4, 5, 6, 7, 8, and 9; its directions outside and the technical terms within, besides references to subsidiary accounts in other Army Forms, must bewilder the novice as

it annoys the expert; and the attempt to unravel its mysteries, to make head or tail of it, must seem an entirely hopeless task, especially when the job must be undertaken without any competent instructor.

Have you ever counted the number of columns among which the soldiers' pay is split up? There are just forty of them, to show how Tommy earns, recovers, and spends his shilling a day. Then there is a column for his signature, which is supposed to satisfy any inquiring M.P. that Tommy has examined his account and found it correct. What exquisite irony! He signs, poor fellow, just as he would sign his death warrant in cuneiform characters, if ordered to do so, and confides in his officers (bless him!) to see him righted—and so they would, for such a good fellow, if they happened to know how. I am going to show you how to do it, and I begin by advising you, first of all, not to look at the Pay List. Try to forget its existence. Leave your mind a blank, or, rather, exert your imagination, and try to believe that you live in the good old days when a Captain hired his troop as a skipper now hires his crew. What gay old times they were! Fancy officers going to 'parties, dinners, or balls at private houses' in a red coat, with shoulder belt, sword, and sash, as was the custom, I believe, down to fifty years ago; and, according to an old print I bought the other day, it was not impossible then for a hospitable country squire, on requesting 'the pleasure of Captain ——'s company to dinner,' to be invaded by one hundred rank and file, headed by Captain —— and his drummer! And yet I fancy in that bow and arrow period, as Lord Wolseley calls it, they did a few things well; and really I do not think that we have improved on their method of keeping the soldiers' accounts.

## LETTER III

## FINANCIAL RELATIONS OF CAPTAIN AND PRIVATE.

Chester, March 1.

MY DEAR —,—I left you last month the imaginary leader of a troop of men raised by yourself in the olden style. By a further flight of fancy let us suppose that you have contracted with each man somewhat as follows: So much a day *pay*, so much *allowance*, so much *compensation*, so much *gratuity*, and so on. You have further contracted with your men, say, to supply lodgings and a certain quantity of food free, and to furnish further accommodation at a fixed rate per diem. On the other hand, your men are expected to subscribe to certain *funds*, and to pay certain *finer* and undergo *stoppages* in certain eventualities. As regards cash, you have agreed to advance certain sums daily, or weekly, to pay (as their representative) their just dues to Regimental tradesmen, and to settle the account with each of them once a month. That is the bargain; now let us see what happens. On the last day of every month your imaginary soldiers approach you with a slip of paper, which looks like a tradesman's bill; in fact, it is a tradesman's bill, just like the little account which reaches you from your tailor, only your soldier's name is substituted for that of the sartorial artist, and instead of 'coats and trousers' the items read 'pay and allowances,' thus:—

## CAPTAIN JONES TO PRIVATE ATKINS

	£	s.	d.
To 31 days' pay, 1-3-01 to 31-3-01, at 1s. . . .	1	11	0
„ 31 days' G. C. pay, 1-3-01 to 31-3-01, at 1d. . . .	0	2	7
„ 31 days' messing allowance at 3d. . . .	0	7	9
	<hr/>		
	2	1	4



You take these bills to your Pay Sergeant, and say, 'Just see whether these men have been at duty on the days charged, and whether the rates are such as I agreed to pay.' Your Pay Sergeant returns to you, and says, 'The men's bills are correct, but of course there is your contra account against each man, which I here produce for your inspection and approval.'

Let us look at your bill against the soldier:—

PRIVATE ATKINS to CAPTAIN JONES

	£	s.	d.
To 31 days' groceries at 3 <i>d.</i> . . . . .	0	7	9
„ 31 days' washing at $\frac{1}{2}$ <i>d.</i> . . . . .	0	1	3 $\frac{1}{2}$
„ Barrack Damage Fund . . . . .	0	0	2
„ Library subscription . . . . .	0	0	2
„ Hair-cutting subscription . . . . .	0	0	2
„ Repair of boots . . . . .	0	2	6
„ One shirt . . . . .	0	3	0
„ Cash advanced—March 3, 5 <i>s.</i> ; March 10, 5 <i>s.</i> ; March 17, 5 <i>s.</i> ; March 24, 5 <i>s.</i> . . . . .	1	0	0
	1	15	0 $\frac{1}{2}$

The two bills are set off against each other—his for 41*s.* 4*d.*, yours for 35*s.* 0 $\frac{1}{2}$ *d.*, and the difference, 6*s.* 3 $\frac{1}{2}$ *d.*, is paid to the soldier, who puts 'paid' to his account. That is a very simple transaction, is it not? and you may well ask, 'What has that to do with the terrible and mysterious Pay List?' I reply that this simple account is the root of the whole matter, and that when once you have grasped this fact your difficulties will be half over. This primitive form of account, the old-fashioned tradesman's bill, is the germ of every system of book-keeping, however elaborate, and the real explanation of Army Form N 1505 is to be found in a mastery of the common form in which your tailor's account and your washing bill are presented—as I shall proceed to show. Indeed, it is not many years since soldiers' accounts were made out in these simple forms, with the following difference, viz., the soldier's bill and the Captain's bill were set side by side in this fashion:—

STATEMENT OF THE ACCOUNTS OF PRIVATE ATKINS

Dr.	£ s. d.		Cr.
To 31 days' groceries . . . . .	0 7 9	By 31 days' regimental pay . . . . .	1 11 0
„ 31 days' washing . . . . .	0 1 3½	„ 31 days' G. C. pay . . . . .	0 2 7
„ Barrack Damage Fund . . . . .	0 0 2	„ 31 days' messing allowance . . . . .	0 7 9
„ Library subscription . . . . .	0 0 2		
„ Hair-cutting subscription . . . . .	0 0 2		
„ Repair of boots . . . . .	0 2 6		
„ One shirt . . . . .	0 3 0		
„ Cash advanced . . . . .	1 0 0		
	<hr/> 1 15 0½		
Balance to be paid to Private			
Atkins at settlement . . . . .	0 6 3½		
	<hr/> 2 1 4		<hr/> 2 1 4

I have often been tempted to make an experiment in this direction, which would not cost much trouble, and would, I think, remove much uncertainty and dissatisfaction.<sup>1</sup> About the end of the month my Pay Sergeant should make up a statement of accounts in the form I have just given, showing what the soldier is to receive, and why; alongside he should show what the soldier is to pay, and why. I would call the document a 'pay ticket,' and deliver every man his ticket. A thousand such tickets would cost less than a sovereign, and would last a Company a year. No 'explanation' of accounts would then be needed, for soldiers would puzzle the bill out by themselves, and learn of one another, and discuss the cost of a 'drunk' or an 'absence' as they would talk over the cost of a pair of boots. Poor Atkins has never been encouraged to try to understand his accounts. We send him to school, and teach him the rule of three, but the monthly 'object lesson' is not driven home — perhaps because there is no teacher available. Our Pay Sergeants at the end of the month are too busy to attempt the job, and so it has come about that 'explaining' a soldier's account has become the subject of a joke. You know the old yarn, of course, of a Pay Sergeant's explanation to a recruit: 'Your credits are 1*l*.; ten shillings you had, three shillings you didn't have, that makes 13*s*., so you have 7*s*. to come.' Well, this would be impossible, if arrangements were made to deliver 'pay tickets' to the men, so that they could come to the pay table and state exactly what they had to receive.

Unfortunately, our regulations do not contemplate such a thing, and even the excellent 'Company Ledger,' which used to help the officer to understand his men's accounts, never helped the soldier in the least. I suppose you never saw such a book as a Company Ledger (Army Book 142), and it may interest you if I copy out the specimen account. Here it is:—

<sup>1</sup> Since writing the above, I persuaded the O.C. Volunteer Service Company to hand each of his men a Dr. and Cr. statement of his accounts on demobilisation, and the result was entirely satisfactory to all concerned.

1874 Date	Cash payments during month	No. 1746 THOMAS ATKINS	Dr.	Cr.
	£ s. d.		£ s. d.	£ s. d.
May 7	0 1 0	Balance Dr. last month		1 4 0
" 14	0 0 6	By 24 days' pay at 1s.		0 0 11
" 21	0 0 6	" 11 days' G. C. pay at 1d.		0 2 0½
" 21		" 7 days' in guard-room at 3½d.		0 1 0
" 21		" Credit from B Company		
Total	0 2 0	To total pay received	0 2 0	
May 31		To 20 days' messing at 3½d., 5s. 10d.; washing, 10d.	0 6 8	
" 31		2 days' Hospital at 7d.	0 1 2	
" 31		" Barrack damages, 4d.; marking, 2½d.	0 0 6½	
" 31		" Library, 1d.; school, 2d.; hair-cutting, 1d.	0 0 4	
" 31		" Fine, 10s., 21-4-74, stopped on account	0 6 8	
" 31		" 7 days in guard-room at 3½d.	0 2 0½	
" 4		" Boots mended	0 3 2	
" 6		" 1 shirt, 2s. 9d.	0 2 9	
" 20		" 1 forage cap, 1s. 7d.; pair socks, 9½d.	0 2 4½	
		Balance	Cr.	Dr. 0 2 3½
John Jones, Private (Witness).	his Thomas x Atkins. Mark	A. LAWRENCE, Captain.	1 10 3	1 10 3

I will now show you how the accounts on pages 9 and 10 would appear in the old 'ledger' form:—

1901 Date	Cash payments during month	No.....	Dr.	Cr.
	£ s. d.		£ s. d.	£ s. d.
March 3	0 5 0	Balance last month		1 11 0
" 10	0 5 0	By 31 days' pay at 1s. . . . .		0 2 7
" 17	0 5 0	" 31 days' G. C. pay at 1d. . . . .		0 7 9
" 24	0 5 0	" 31 days' messing allowance at 3d. . . . .		
Total	1 0 0	To total pay received . . . . .	1 0 0	
		To 31 days' messing at 3d.; washing, $\frac{1}{2}$ d. . . . .	0 9 0 $\frac{1}{2}$	
		" 31 days' hospital at . . . . .		
		" Barrack damages, 2d. . . . .	0 0 2	
		" Library, 2d.; hair-cutting, 2d. . . . .	0 0 4	
		" Boot bill, 2s. 6d. . . . .	0 2 6	
		" 1 shirt . . . . .	0 3 0	
		Balance Cr. 0 6 3 $\frac{1}{2}$		Dr.
		Total	2 1 4	2 1 4

STATEMENT OF ACCOUNTS [ARMY FORM O 1811]							Cr.
Month and Date	Particulars	Month and Date	Amount		Particulars	Amount	
			£	s. d.		£	s. d.
	To balance debtor last month.				By balance creditor last month		
	" public stoppages . . .				" days pay at from to		
	" cash payments . . .				" " " "		
	" messing days at . . .				" " G. C. payat " "		
	" washing " . . .				" " G. C. payat " "		
	" hair-cutting . . .				" " ration allowance. " "		
	" library subscription . . .				" " subtee. in G. R. " "		
	" barrack damages . . .				" " messing allowance. " "		
	Balance Cr.				Balance Dr.		

You will notice that the soldier's account is headed 'Cr.' and the Captain's account is headed 'Dr.,' and the result shows a 'Balance Cr.' 6s.  $3\frac{1}{2}d.$ , which means, in plain English, that T. A. has to receive 6s.  $3\frac{1}{2}d.$  as his settlement. This sum he can draw in cash or leave it in the hands of his Captain. In the latter case his next account will be headed 'Cr. balance last month, 6s.  $3\frac{1}{2}d.$ ' If, however, Private Atkins had drawn 30s. on account during the month, or had, in other ways, increased the bill against him by 10s., the ledger account would show a balance against him, in other words he would owe his Captain 3s.  $8\frac{1}{2}d.$  more than his Captain owed him, and this sum he would have to pay at once in cash, unless the officer allowed it to stand over as a debt, in which case the Captain's next bill against the soldier would begin 'Dr. balance last month, 3s.  $8\frac{1}{2}d.$ '

I should think this is all clear enough, but before we proceed any further I would ask you to attend the next settlement of your Company, and put down every soldier's account on a separate slip of paper, in either of the forms I have given; or, better still, you may use the Army Form O 1811, which is now the only survival in the Army of the simple form of account understood by everybody. (See previous page.)

This excellent form of account is now only required when a soldier is being transferred from one unit to another; but there is nothing to prevent your using it unofficially for purposes of self-instruction. Let your Pay Sergeant call out the figures to you from his Pay List, and tell you whether his reckonings on N 1505 agree with your reckonings on O 1811, as, of course, they should do. If you practise this for a month or two you will become so far familiar with the root of account keeping that I shall be able to take you a stage further on in our investigations. Meanwhile, I conclude this letter by showing you how soldiers' accounts were kept in the days of our grandsires: here is an extract from a Company ledger at least fifty years old:—

## No. 1,746. Private Thomas Atkins.

Date	Sums Paid, &c.	Amount	Date	Amount of Pay	Amount
		£ s. d.			£ s. d.
1850.	Necessaries in detail, viz. :—		1850.		
May 14	To debt last month—			By credit last month—	
" 14	Two shirts at 2s., &c.	0 4 0	May 1	Bounty . . . . .	4 0 0
" 15	Repairing boots . . . .	0 2 6	" 31	Thirty-one days' pay at 1s. .	1 11 0
" 31	Pair of boots at 8s. . . .	0 8 0	" 31	Thirty-one days' beer-money at 1d. . . . .	0 2 7
" 31	Marking necessaries . . .	0 0 1			
" 31	Barrack damages . . . .	0 0 1½			
" 31	Library, 1d.; schooling, 2d. .	0 0 3			
" 31	Washing, 10d.; sheets, 2d. .	0 1 0			
" 31	Nine days' hospital stops., at 10d. . . . .	0 7 6			
" 31	Twenty-two days' messing, at 6½d. . . . .	0 11 11			
" 31	Daily pay . . . . .	3 18 2½			
		5 13 7		£	5 13 7



The foregoing is a copy of a genuine account kept in the days when bounty and beer money were part of a soldier's emoluments, when fifty lashes was the frequent award of a Court Martial, and deserters were punished by being branded with a 'D.' One is tempted sometimes to regret that these good old times have passed away; the modern deserter thrives exceedingly at the expense of the good soldier, and the ornate forms of account which are the joy of the War Office give Company Officers many a headache.

## LETTER IV

## PAYMASTERS' ADVANCES

Edinburgh, April 1.

MY DEAR —,—If you have been taking my advice, and making out with your own hand each soldier's account, in the simple ledger form that used to be adopted in the Army, or upon the present O 1811 form, you must have been surprised at the variety of the charges on either side—on the part of the soldier claims for extra duty pay, shooting prizes, ration and other allowances, compensation in lieu of clothing, and perhaps also a claim for money which he left behind when he was transferred from another Company; on the part of the Captain—charges for barrack damages, public property lost or injured, hospital stoppages, besides the odds and ends that make up 'regimental bills,' and perhaps also an old debt of the soldier's which has just been claimed by the Company from which he was transferred. Some of the charges on either side do not originate with either the soldier or his Captain: they are made by the Paymaster (as the representative of the War Office and other Corps), or by the Quartermaster (as representing the Royal Engineers and Army Service Corps); nevertheless, it is the Captain who is called upon to pay the soldier's military debts, and to receive on his behalf any little windfall, such as a gratuity or allowance. The Captain is always 'stakeholder' and middleman, and our Pay Office system is based on the theory that every emolument or reward that is to go into the soldier's pocket becomes a debt from the Captain to the soldier, and similarly, every fine, stoppage, or deduction from the soldier's pay becomes a debt from the soldier to the

Captain; in other words, the Captain in theory owes the soldier all that the soldier is to get, and the soldier in theory owes the Captain whatever sum or sums that have to be deducted from his military income.

I want you to thoroughly grasp this idea, because it is the basis of our present system of Company accounts, and you will have to remember that it underlies every financial transaction with soldiers, in whatever queer shape such financial transaction may be presented to you as his Captain—*i.e.*, the Officer commanding his Company; *e.g.*, you may one day be handed a document like one of the following:—

Rank	Names	Station	Amount
Private	T. Atkins	Edinburgh	£ s. d. 1 0 0
		Total . £	

THE OFFICER COMMANDING  
'A' COMPANY.

Army Form O 1606.

PAY OFFICE,  
Edinburgh.  
*May 1, 1901.*

SIR,

You are hereby requested to [pay  
recover from] the men named in the margin the sums stated against their names on account of [reason  
here stated by Paymaster], and [charge  
credit] the amounts in one item, in your May Pay List.

I am,  
Sir,  
Your obedient servant,  
ROBERT BROWN,  
Paymaster.

*From*

STATION PAYMASTER, HOUNSLOW,

*To*

THE OFFICER COMMANDING 'B' COMPANY.

A ☐ credit ☐ debit as under having been received from Paymaster (nearest unit); please say if the ☐ credit ☐ debit is accepted.

ROBERT BROWN, Major.

(Station Paymaster.)

Rank	Name	Service	Amount		
			£	s.	d.
		Particulars given here			

These forms are sent to you direct by your Station Paymaster, and you will be asked to write upon them the word 'accepted,' and return the form to him. Do you know what you will then be doing? Really, you are accepting a bill of exchange, or you are receiving a remittance by a species of cheque. You are receiving on behalf of the soldier a sum due to him from a third party, or you are engaging on the soldier's behalf to pay a sum due to a third party. In the former case the amount will be added to the soldier's bill against you, in the latter case the amount will be added to your bill against the soldier. I need hardly say that before 'accepting' the credit (remittance) or debit (regimental bill), you should obtain the soldier's consent, in case he disputes the correctness of the amount, and requires you to correspond with the officer from whom the credit or debit emanates. As I have said before, it is the Captain who is the trustee or stakeholder, the buffer between the soldier and the rest of the military world; but the temptation to forget this fiduciary relationship is often too strong to be resisted, and then mistakes are made and muddle ensues.

There is another item which will occasionally appear in the soldier's bill against you, and that is a charge for

subsistence while in the Guard Room. It is a whimsical idea that confinement in the Guard Room should justify an addition to a soldier's credit; but you will remember that for days of incarceration the soldier gets no pay, and unless he were permitted to make a charge to cover his subscription to the messing fund and for his washing, the soldier would have to be struck out of mess and do his own washing, which would upset the domestic arrangements of the Company; therefore in lieu of pay a charge of  $3\frac{1}{2}d.$  a day is allowed to the soldier, which will appear in his bill against you, and subsequently in your bill against the King.

## LETTER V

## WAR OFFICE FORMS FOR SOLDIERS' ACCOUNTS

Dover, May 1.

MY DEAR —,—Are you now ready to take in an entirely new idea? It is this: given a simple account, such as you have been dealing with, the expert accountant may embroider it and re-arrange the figures in a dozen different ways without altering the net result—just as the sum  $8 \times 8 = 64$  may be expressed  $4 \times 16 = 64$ , or  $2 \times 32 = 64$ , or even  $8 + 8 + 8 + 8 + 8 + 8 + 8 + 8$ . In the Finance Department of the War Office there are expert accountants who, for reasons connected with the preparation of the Army Estimates, require the soldier's simple bill to be re-arranged in a particular fashion. For this reason Army Form N 1505 is supplied to Captains of Companies, who are expected to master its forty columns and nine forms by the light of their own intelligence. To this document, commonly known as the Pay List, you must now be introduced, as it were, for the first time; but I hope that before you open it you will again peruse my former letters, and especially study the simple forms of account I have sent you for instructional purposes.

'Right here,' as Americans say, I cannot refrain from a grumble that regimental officers are not allowed to settle with their men on some simple plan understood by soldiers of all ranks, and afterwards hand over the original documents to the Pay Office clerks, who, as representing the Finance Department of the War Office, could themselves fill up the cumbrous N 1505 at their own convenience. It is hardly in the interests of the service that Captains and

Colour-Sergeants should have to settle with soldiers after tattoo on the last day of every month (or run the risk of loss by desertion), and afterwards devote three complete days to clerical work required not for the purposes of the soldier, the Company, or the Regiment, but merely for the purposes of Parliamentary Returns. Perhaps this matter will be rectified in the 'good time coming,' but in the meantime we have to make the best of the situation as it exists, and since it is ordained that Captains shall turn aside from tactical studies in order to discharge duties pertaining to an accountant a dozen times a year for perhaps twenty years, it is as well for you to begin your professional career by trying to understand a Pay List; and after all, if that 'thousand pound' education that Kipling speaks of is worth having, it ought to be equal to seeing us through an ordeal which is undergone successfully by many a man who began life as a soldier-servant. And if in the near future any alleviation of our misery is proposed, I trust it will take the shape of clerical assistance after the monthly settlement in filling up N 1505 and sorting up vouchers, &c., in such a way as not to interfere with the personal relations of Captain and soldier in regard to the necessary financial operations.

## LETTER VI

## HOW TO PREPARE YOUR PAY LIST

Portsmouth, June 1.

MY DEAR —,—Before we proceed any further, I want you to copy out the following two bills, in which I have included almost every possible charge that you can make against the soldier, and almost every possible claim which he can bring against you. I have taken the case of a Colour-Sergeant who has been on detachment for musketry for ten days and on furlough for one week in the course of the month. He was recently transferred from the foreign service battalion, where he had gained a prize for good shooting, which was issued after he had embarked for England. He was not present on 1st inst. to draw the balance due to him in respect of previous month's pay, &c. During his absence from headquarters another N.C.O. had to act as Pay Sergeant for 14 days. The month had only 28 days. He is married, and has two children. He is on the Permanent Staff of the Militia, and occupies public quarters, but does not draw fuel and light 'in kind.' He had been on active service for which a 'gratuity' was granted. All these incidents resolve themselves into £ s. d. at the end of the month, and can be expressed in the form of a Dr. and Cr. account; let us first have the Cr. side of the account:—



## CAPTAIN JONES to COLOUR-SERGT. ATKINS.

	£	s.	d.
(3) Credit balance last month . . . . .	0	15	4
(4) Other [Company] credits, viz.:—			
(a) Shooting prize forwarded from India . . . . .	0	10	0
(b) 1 day's pay under credited last month . . . . .	0	3	0
(c) Compensation in lieu of clothing—viz.			
1 pair boots . . . . .	0	10	0
(9) 28 days' regimental pay at 3s. . . . .	4	4	0
(12) days' good-conduct pay [not issued to sergeants]			
(15) days' corps pay [only A.O., A.S., R.A.M. Corps]			
(17) 7 days' allowance in lieu of rations at 6d. . . . .	0	3	6
(20) 28 days' messing allowance at 3d. . . . .	0	7	0
(24) Other credits due by the public, e.g.:—			
(a) 10 days' separation allowance at 7d. . . . .	0	5	10
(b) War gratuity . . . . .	10	0	0
(c) 14 days' company accountant at 1s. . . . .	0	14	0
(d) 28 days' fuel and light allowance at 3½d. . . . .	0	8	2
(25) Total sum due . . . . .	18	10	0

Now let us take the Dr. side of the account:—

## COLOUR-SERGT. ATKINS to CAPTAIN JONES.

	£	s.	d.
(26) Debt from last month . . . . .	0	0	0
(27) Daily or weekly payments . . . . .	12	10	10
(28) Regimental bills (as detailed in P. and M.B., see page 54) . . . . .	1	10	0
(29) Stoppages due to the public (as detailed in P. and M.B., see page 54) . . . . .	1	0	0
(30) Total sum due . . . . .	15	0	10

The next step is to procure a blank Pay List and open it at page 2. Notice the columns. There are 12 of them. Pray number them 1 to 12. Turn to page 3, and likewise number the columns 13 to 25. Fill up these columns by inserting the sum marked 3, 4, 9, &c., in Colour-Sergeant Atkins's 'Cr.' account.

Having inserted the figures in the Pay List, now you have the soldier's bill against you in two forms, (a) in the original tradesman's bill form, and (b) in the Pay List form. What we have been calling the soldier's 'claims,' the



*To face p. 26.*





War Office chooses to call his 'credits,' but the two things are the same.

Again turn to the Pay List, and open page 4, and number the columns 26 to 32. Insert in columns 26 to 30 the items marked 26, 27, 28, 29, and 30 in the Colour-Sergeant's 'Dr.' account. Having inserted the figures in the Pay List, now you have your bill against the soldier in two forms, (a) in the original tradesman's bill form, and (b) in the Pay List form. What we have been calling your 'charges' the War Office chooses to call the soldier's 'debits,' but the two things are the same.

Turn again to the Pay List, and open page 5, and number the columns 33 to 42. We will leave columns 31 to 42 blank for the present, and examine the 30 columns into which you have transcribed the two specimen bills, our imaginary account with Colour-Sergeant Atkins.

- Col. 1.*—This is for the soldier's Regimental number and the date of his enlistment.
- Col. 2.*—The soldier's name and rank are shown here.
- Col. 3.*—If the soldier left money in your hands at last settlement, insert the amount here.
- Col. 4.*—In this column appears (1) any sum you have to pay the soldier as compensation in lieu of clothing; (2) any sum coming to him from another Corps or Company; (3) any sum drawn for him last month but not then credited to his account through your own error.
- Col. 5.*—State here the period for which you are now paying the soldier.
- Col. 6.*—To fill up this column you must refer to the soldier's defaulter sheet or Regimental Orders.
- Col. 7.*—State here the number of days for which the soldier is to receive pay, after deducting the forfeitures of pay in Col. 6 (if any).
- Col. 8.*—Insert here the rate of pay, according to rank and branch of service.
- Col. 9.*—The total sum due to the soldier for 'regimental' pay is shown here.

- Col. 10.*—State here the number of days for which ‘G.C.’ pay is claimed in the case of privates and lance-corporals only.
- Col. 11.*—Insert here the rate of ‘G.C.’ pay, according to entries on defaulter sheet.
- Col. 12.*—The total sum due to the soldier for ‘G.C.’ pay is shown here.
- Cols. 13 to 15.*—Need only be filled up in case of Army Ordnance, Army Service, and Royal Army Medical Corps.
- Col. 16.*—If the soldier has been on furlough, state period in days.
- Col. 17.*—Total sum due for ration allowance (*viz.*, 6*d.* for every day on furlough) is shown here.
- Cols. 18 to 20.*—Need not be filled up in case of recruits under six months’ service.
- Cols. 21 to 24.*—These columns need only be filled up in special cases, *e.g.*, an Orderly Room clerk or Company accountant draws ‘extra duty’ pay; other soldiers may be in receipt of allowance in lieu of fuel and light, allowance on being separated from family, &c.; and when a soldier is being discharged you enter his claim to gratuity here.
- Col. 25.*—The total of the soldier’s claim upon you (*i.e.*, his ‘credits’) is shown here.
- Col. 26.*—If the soldier’s last account showed him to be in your debt, and he failed to pay such debt at last settlement, insert the amount here.
- Col. 27.*—Insert here the total sum advanced to the soldier during the month. [See P. and M.B., *cash payments.*]
- Col. 28.*—The total amount of his Regimental bills is shown in this column. [See P. and M.B., *regimental bills.*]
- Col. 29.*—The total amount of his fines and hospital stoppages, the values of stores lost or damaged, allotments of pay, &c., is shown in this column. [See P. and M.B., *public stoppages.*]

*Col. 30.*—The total of your charges against the soldier, *i.e.* his 'debits,' is shown here; so the total of this column equals the totals of Cols. 26, 27, 28, 29.

We have seen that the total 'credits' in Col. 25 is the same as the total of the 'Cr.' account, and similarly the total 'debits' in Col. 30 is the same as the total of the 'Dr.' account.

But the total in Col. 30 does not equal the total in Col. 25, as it should do. What is the difference? The difference represents the sum which the soldier has to receive from you at settlement; and so we are required, in order to make 'credits' equal 'debits' in the Pay List, to insert in Col. 27 not only the 'daily or weekly payments,' *but also the final payment at settlement.* Let us add on £3 to Col. 27, and then the total 'debits' (Col. 30) will equal total 'credits' (Col. 25), and the account is 'balanced.'

Whenever Col. 25 ('credits') and Col. 30 ('debits') do not agree after inserting in Col. 27 the whole of the money paid to the soldier from first to last day of the month the difference is the debt due from Soldier to Captain, or from Captain to Soldier. If the 'credits' is the larger amount the Soldier becomes the Captain's creditor for the difference, and the sum is noted in Col. 35; on the other hand, if the 'debits' is the larger amount the Soldier becomes the Captain's debtor for the difference, and the sum is noted in Col. 34.

Therefore, Cols. 30 and 35 always equal Cols. 25 and 34.

If you will now procure an old Pay List, and turn to the pages already mentioned, you will find at the foot of every page the totals of each column, showing (Cols. 1 and 25) the lump sum you have issued to 14 men under the different headings of pay, allowances, &c., and showing (Cols. 26, 28, and 29) what lump sum has been deducted from the pay of these 14 men as public stoppages and regimental bills. The total of Col. 27 shows the actual cash they have put into their pockets. All these totals are afterwards transferred to pages 42, 43, 44, 45 of Pay List, for a purpose which I will explain in another letter.

## LETTER VII

## VARIOUS FORMS OF ACCOUNT

Chatham, July 1.

MY DEAR —,—My last letter has, I suspect, given you abundant food for thought; but its length was indicative of its importance, and if you have succeeded in first working out your soldiers' accounts in the old-fashioned way, and afterwards reconstructing them in the Pay List form, you will have grasped the point I wish to emphasise—viz., that the *form* of an account is immaterial. A set of figures can always be arranged in half a dozen different ways to produce the same result; and it follows that an account which appears at first sight to be positively bewildering in its complications can always be resolved into its elements, and be reconstructed in a simple form, by anyone who is able to recognise what are the essential features of the document, and to discriminate between them and what are the mere embroideries.

Thus the 'credits' of a soldier may be stated in the following form:—

Regimental pay	Good conduct pay	Allowance in lieu of rations	Messing allowance	Total credits
£ s. d. 1 3 0	£ s. d. 0 1 11	£ s. d. 0 3 6	£ s. d. 0 5 3	£ s. d. 1 13 8

Or they may be set down as follows:—

CAPTAIN JONES *to* PRIVATE ATKINS.

	£	s.	d.
23 days' pay at 1s. . . . .	1	3	0
23 days' G. C. pay at 1d. . . . .	0	1	11
7 days' ration allowance at 6d. . . . .	0	3	6
21 days' messing allowance at 3d. . . . .	0	5	3
Total . . . . .	1	13	8

Similarly, his 'debits' may be shown in both forms—thus:—

## 1.

Cash payments	Regimental bills	Stoppages due to the public	Total debits
£ s. d. 1 9 2½	£ s. d. 0 3 3½	£ s. d. 0 1 2	£ s. d. 1 13 8

## 2.

PRIVATE ATKINS *to* CAPTAIN JONES.

	£	s.	d.
Regimental bills . . . . .	0	3	3½
Public stoppages . . . . .	0	1	2
Cash . . . . .	1	9	2½
	1	13	8

Both debits and credits may be exhibited in several different ways:—(1) As in Pay List, (2) as in O 1811, (3) in a common form best understood by soldiers. Let us see how each of them looks on paper:—



1.

Pay	Good Conduct Pay	Ration Allowance	Messing Allowance	Total Credits	Cash Payments	Regimental Bills	Public Stoppages	Total Debits
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1 3 0	0 1 11	0 3 6	0 5 3	1 13 8	1 9 2½	0 3 3½	0 1 2	1 13 8

2.

STATEMENT OF ACCOUNTS.				O 1811.		Cr.
Dr.	Particulars	Amount	Particulars	Amount		
		£ s. d.		£ s. d.		
To balance debtor last month	.	0 1 2	By balance creditor last month	.	1 3 0	
" public stoppages	.	1 9 2½	" 23 days' pay at 1s., from 1st to 23rd	.	0 1 11	
" cash payments	.	0 3 0	" " G.C. pay at 1d., from 1st to 23rd	.	0 3 6	
" messing, 12 days at 3d.	.	0 0 1	" 7 ration allowance, 6d.	.	0 5 3	
" washing, " "	.	0 0 1	" " subctce. in G.R.	.		
" hair cutting	.	0 0 1	" 21 mess. allowance, 3d. from 1st to 21st	.		
" library subscription	.	0 0 1½	" to 21st	.		
" barrack damages	.					
	Balance Cr.	1 13 8		Balance Dr.	1 13 8	

## 3.

## CAPTAIN JONES to PRIVATE ATKINS.

	£	s.	d.
Pay at 1s. a day from 1st to 23rd . . . . .	1	3	0
G.C. pay at 1d. a day from 1st to 23rd . . . . .	0	1	11
7 days' ration allowance whilst on furlough . . . . .	0	3	6
23 days messing allowance ( <i>less 2 days in hospital</i> ) . . . . .	0	5	3
	1	13	8

Deduct—

Regimental bills— <i>viz.</i> , 12 days' groceries at 3d., hair-cutting 1d., library subscription 1d., barrack damages 1½d. . . . .	0	3	3½
---	---	---	----

Medical comforts in hospital—2 days at 7d. . . . .	0	1	2
--	---	---	---

Cash advanced . . . . .	1	9	2½
	1	0	0

Due at settlement . . . . .	0	9	2½
-----------------------------	---	---	----

I think you will agree with me that the form of account most likely to reach the intelligence of the private soldier is the last one, which is unofficial.

I have seen a soldier's account, dated 1840, in the following curious form :—

## THOMAS ATKINS.

	£	s.	d.
Bounty for which enlisted . . . . .	3	0	0
Proportion of bounty received in cash . . . . .	0	15	0
" " " " necessities . . . . .	2	5	0

According to present ideas at the War Office such an account would appear in the Pay List as follows :—

Bounty	Total credits	Cash payments	Public stoppages	Total debits
s. 60	s. 60	s. 15	s. 45	s. 60

D

You must steadily practise setting out an imaginary account in all these different ways until they are all familiar to you, for nothing is so disconcerting to the novice as an account in a strange *form*; indeed it is surprising to find how many educated men exist who fully understand their banker's pass-book, and who would be indignant at the suggestion that they did not know 'how they stood' financially, who nevertheless would be unable (even to win a big bet!) to set out their affairs in the form of a balance sheet. It is the *form* that would puzzle them. Heading one set of figures Assets and another set of figures Liabilities would completely mystify them.

Have you ever considered the marvellous system of accounts which must exist in banks and insurance offices, which employ hundreds of clerks and carry on their business in a dozen different places? One would suppose that no human being could grasp the financial situation at any given moment, and yet it is clear that the analytical intellect of the actuary and the trained intelligence of the auditor enables them to gather up the multi-coloured threads, and sort them out, with the result that one day you are presented (if a shareholder) with a brief statement in the form of a Profit and Loss Account and Balance Sheet, in which the history of a year's business and the net result of a turnover of millions of pounds is laid bare in a dozen lines.

Why do I refer here to such accounts? I do so in order to show you that there is no such a thing as a complicated account for a person who has grasped the principles of Debtor and Creditor, and that our old enemy, Army Form N 1505, so repellant to you at present, will soon become an amusing toy, a document interesting to peruse and analyse, and your monthly Pay Account will fascinate you in the same way as a chess problem or other conundrum to which there *is* a right solution. When you realise this fully you may consider yourself on the way to become an expert accountant, and I shall lay down my pen. My task will then be done.

## LETTER VIII

## SOLDIERS' BALANCES

Devonport, August 1.

MY DEAR —,—My last letter was by way of a digression, and yet I trust it was not altogether foreign to my purpose, which is to saturate your mind with the principles of account-keeping, and illustrate the subject as we go along by reference to common objects and familiar practices.

I resume now the topic of soldiers' settlements, which was the burden of my July letter, and I ask you to observe that in nine cases out of ten, on the last day of the month, there is a balance of cash due to T. Atkins which he is very keen to handle, and that your procedure in such cases is simple. You add the sum to Col. 27—'cash payments'—you give the soldier the money, and find his account squared; for his Debits in Col. 30 then equal his Credits in Col. 25, and so there is nothing to carry forward, nothing to insert in Col. 34 or Col. 35.

But occasionally it happens that a man will be, on settling day, in prison, on furlough, on escort duty, or otherwise absent temporarily, and then Cols. 34 or 35 come into use; for it becomes necessary to 'carry forward' his balance to the next month's account. If the balance is in his favour you insert in Col. 35 the sum due to him (as a memorandum of his credit) and set aside the money till he rejoins your Company. When it happens that a soldier is in debt (whether absent or present), if the balance is against him you insert the sum he owes you in Col. 34 (as a memorandum of his debt) and wait for your money till the soldier has earned more pay.

There is, however, yet another contingency to be faced. Occasionally in the case of trained soldiers, and frequently in the case of recruits, your absent soldier has been declared by a Court of Inquiry to be a Deserter. In rarer instances the absentee has filled a soldier's grave. Such cases are termed 'non-effectives' at the end of the month, and for them a special non-effective account will in due time be called for by the Paymaster. Meanwhile, however, you have to dispose of their 'debits' or 'credits' in your current Pay List, and for that purpose Cols. 31 to 33 are provided. Should the soldier have died or deserted when in your debt the amount is noted in Col. 31, and you charge the King with the amount just as you would Contingent allowance; but if on the contrary his pay, &c., and the proceeds of the sale of his kit (his 'credits') are more than sufficient to settle his 'debits,' the balance which he would have taken in cash will be handed by you to the King, as the soldier's executor (for disposal in a manner which does not now concern us), and the sum is entered in Col. 32 in the case of a Deserter, in Col. 33 in the case of a Deceased Soldier.

There is a special form of account for 'non-effectives' called O 1625, of which a specimen is on the following page.

I have now told you exactly how to effect a monthly settlement in the manner prescribed by Regulations in the case of all the men on the strength of your Company (*a*) present, (*b*) temporarily absent, (*c*) non-effective by death, insanity, or desertion.

The cash paid away to each man is shown in Col. 27, and the cash retained by you to satisfy his regimental creditors is shown in Col. 28; the balance you must return to the Paymaster, except a sum of 10*l*. which is allowed to be carried forward to the next account.

ARMY FORM O 1625

STATEMENT OF ACCOUNT BY THE OFFICER COMMANDING THE COMPANY			
Date	Dr.	£ s. d.	Cr.
	Balance <i>Dr.</i> last month . . .		Balance <i>Cr.</i> last month . . .
	<i>Cash issues</i> . . .		Pay _____ days at _____ from _____ to _____ . . .
	(Date of each issue to be stated)		Good conduct pay _____ days at _____ from _____ to _____ . . .
	£ s. d.		Messing allowance _____ days at _____ from _____ to _____ . . .
	_____ 189		Amount produced by the sale of necessaries and effects . . .
	_____ "		Amount of clothing balance if deceased or insane . . .
	_____ "		Amount of savings bank balance, including interest . . .
	_____ "		Balance <i>due</i> to the Officer Commanding . . .
	Balance <i>due by</i> the Officer Commanding . . .		£
			£

## LETTER IX

## THE CLOTHING ACCOUNT

York, September 1.

MY DEAR —.—That part of the Pay List which has hitherto engaged our attention constitutes THE SOLDIER'S LEDGER, and consists of the columns I have (for instructional purposes) numbered 1 to 35. But you will be wondering what is to be done with the columns I asked you to number 36 to 40, and which are headed, you may observe, CLOTHING ACCOUNT. This I will now explain.

You are of course aware that the soldier on certain red-letter days of the year may demand new boots, new tunic, new frock, new trousers, &c., and you also know that a careful soldier who has already a complete kit in good condition may request his Captain to allow him to draw the money instead of the boots, &c. One would suppose that if the Captain said 'Yes' the soldier would receive the money, and here the matter would end. But we look after T. A. too well to allow him to manage his affairs in such a simple fashion. What happens then is this. An enormous document called H 1179 is produced and filled up and checked by the Quartermaster, to show the money value of each article of clothing then due. The total value is then recorded in Col. 38 of the Clothing Account, and is afterwards referred to as 'Compensation in lieu of clothing.'

Month after month this tempting sum is dangled before the soldier's eyes, like a ripe apple on a bough, but it can only be swallowed bite by bite, in accordance with 'Clothing Regulations,' paragraph 81. How does the soldier get his

bite? In due season [*vide* Regulations] you insert a certain sum in Col. 39, then by a process of subtraction find the difference and insert the sum representing such difference in Col. 40: thus Cols. 39 and 40 = Col. 38. Applying the principles of Dr. and Cr. to this arrangement the account is as follows:—

	£	s.	d.		£	s.	d.
To cash [Col. 39]	0	10	0	By compensation in			
„ balance carried				lieu of clothing			
forward to next				[Col. 38]	1	0	0
account [Col. 40]	0	10	0				
	1	0	0		1	0	0

Be it remembered, however, that this 'Clothing Account' is quite separate from the Soldier's Ledger, so unless you are careful to record in Col. 4, 'Other Credits,' the sum proposed to be paid in cash (by way of a bite out of the apple!) the soldier will not get the sum included in Col. 25, 'Total Credits.' *Argal*, as they say in Shakespeare, all sums inserted in Col. 39 must also be inserted in Col. 4 in order that the soldier may benefit. Similarly the sum to be 'carried forward' (the remains of the apple) after being inserted in Col. 40 must also be inserted in the next month's Pay List. Where does it go in the new Pay List? It must go in Col. 36, since we have already appropriated Cols. 38, 39, 40, and Col. 37 is reserved for the record of the compensation due to men who have just been transferred to your Company from another unit.

Thus, out of the five columns devoted to the Soldier's Clothing Account, Cols. 36 and 38, or 37 and 38, show the soldier's 'credits,' and Col. 39 shows his 'debits,' and Col. 40 is to the Clothing Account what Col. 35 is to the Ledger—*viz.*, the place to record the amount actually due to a soldier, but for some reason being carried forward to a new account.



## LETTER X

## FINANCIAL RELATIONS OF CAPTAIN AND THE KING

Glencorse, October 1.

MY DEAR —,—You will recollect how, at the beginning of this correspondence, I brought out in strong relief the peculiar relationship of Soldier and Captain, in regard to pay matters, by asking you to imagine yourself the leader of a troop of men you had raised yourself, and with whom you had contracted for pay, rations, clothing, &c. With a similar object, that of illustrating the relationship of the Captain to the King in regard to financial matters, I ask you to suppose that you have sold the services of your Company to a potentate 'for good consideration.' A bargain of a sort has been struck, and you have caused your men to perform the services required, and having subsisted them for a certain period, you now have to apply to the King for reimbursement. H.M. has, perhaps, already rewarded you in some measure, or advanced a sum of money on account, but now you require a full settlement up to date. Of course the actual case is not quite as I have put the supposed case; to begin with, you, as Captain, are neither an independent contractor nor a mere agent, you are not the former because you are not allowed to make any profit out of your dealings with the soldiers, and you are not the latter because you are not protected from loss through error or misadventure, as an agent would be. Moreover, you can only recover the sums actually paid by you on proof of payment, nor can you recover them even when such proof is forthcoming unless you can show the King's authority (as published in the

'Regulations') for every separate issue of money. The bargain seems a bit one-sided, according to modern ideas, but it is notorious that the profession of arms has always been one in which matters of £ s. d. are not very nicely adjusted. It is, after all, the profession of an 'adventurer'—one individual is rewarded perhaps by honours and wealth, and ninety-nine others by broken fortunes and shattered health.

Thus it has ever been a career in which 'fast and loose' bargains prevailed, a career in which Might is often mistaken for Right, and it is curious to observe that the old tradition is kept alive by Army Form N 1505. In pages 1 to 41 of that document, commonly known as Form One, you have faithfully accounted, say, for an expenditure of 500*l.*, issued to soldiers in the belief that they are justly entitled to the amount set against their names, and yet you cannot recover one shilling of the total sum until the Station Paymaster, as the King's auditor, has examined and passed the account, tested every 'credit' by reference to volumes of Regulations, and set off everything that can be claimed under the Regulations as a 'public stoppage.' In these circumstances it is really marvellous that officers commanding companies escape with so little loss, as a general rule. In times of pressure they must and do suffer loss from circumstances beyond their control. They grumble, but they have to submit; there is no court of appeal for an officer; it behoves him, therefore, to study how to reduce to a minimum the chances of loss through 'disallowances' on a Pay List. Ample experience, a thorough knowledge of account-keeping, and faithful service on the part of his Pay Sergeant only will suffice to keep him out of harm's way.

I have shown you how to settle with your men on the last day of the month in accordance with the Regulations. In an early letter I will show you how to prepare your account against the King for the Paymaster's audit.

## LETTER XI

## THE USE OF 'FORM 2,' SUMMARY OF TOTALS

Hounslow, November 1.

MY DEAR —,—Hitherto we have been dealing with that part of the Pay List which is known as Form One—I mean the first forty-one pages. Form One constitutes the Soldier's Ledger and Clothing Account. On each of the pages numbered (at the bottom) 2, 6, 10, 14, 18, 22, 26, 30, 34, and 38, there is space for the accounts of fourteen men, so that Form One is equal to the requirements of a company 140 strong. You have, of course, totalled the money columns on every page after settling with your men, and now you must transfer these totals to another part of the Pay List known as Form Two. This 'form' comprises only four pages (numbered 42 to 45), and is merely a convenient spot in which to bring together the summary of totals, so as to ascertain what is the lump sum you have been dealing with in Form One. In fact, Form Two is a mere recapitulation of Form One, and is useful only to afford a *coup d'œil* of the Soldier's Ledger and Clothing Account for the purposes of preparing your account with the King of which I shall speak later on.

From this point it will be necessary for me to deal with an actual account in order to illustrate my remarks, and I will therefore copy the Summary of Totals from a Pay List before me. It is the Pay List of a Dépôt Company fifty-seven strong, including recruits, trained soldiers, some of the permanent staff of a militia battalion, and reservists on working furlough; among the 'casualties' are one deserter and one

## THE USE OF 'FORM 2,' SUMMARY OF TOTALS 43

soldier deceased, one discharged medically unfit, so that the 'credits' and 'debits' embrace all the usual items of pay, allowances, gratuities, stoppages, &c. The following are the 'credit' items which appear on page 43:—

	£	s.	d.
Credit balances from last month . . . . .	0	11	1½
Other credits . . . . .	29	8	1½
Pay . . . . .	83	1	6
Good-conduct pay . . . . .	3	1	5
Allowance in lieu of rations . . . . .	10	19	6
Messing allowance . . . . .	9	7	0
Extra duty pay . . . . .	1	8	0
Separation allowance . . . . .	0	16	4
War gratuity . . . . .	5	0	0
Gratuity on discharge . . . . .	2	0	0
Fuel and light allowance . . . . .	3	13	6
Lodging allowance . . . . .	1	1	0
	150	7	5½

This sum represents the total 'credits' of the men for one month.

Now let us see what are the total 'debits' of the same men for the same period as they appear on page 44:—

	£	s.	d.
Debt from last month . . . . .	25	4	0
Cash paid 1st to 31st inclusive . . . . .	88	8	3½
Regimental bills . . . . .	24	6	3¼
Stoppages due to the public . . . . .	3	2	4¼
	141	0	11

If all the men were settled with of course the debits would equal the credits, and the account would be squared; but the men are never completely settled with, and there are always balances outstanding at the end of the month. On page 45 (Form 2) are summarised the contents of Cols. 31 to 35 (Form 1), and from the Pay List before me I extract the following:—

### Dr. BALANCES.

	£	s.	d.
On non-effective accounts of deserters . . . . .	0	0	0
Due by the soldier . . . . .	10	15	7
	10	15	7

*Cr. BALANCES.*

	£	s.	d.
Effects of deserters . . . . .	0	1	7½
Effects of deceased men . . . . .	16	16	0
Due to the soldier . . . . .	3	4	6
	20	2	1½

You will notice that the difference of 9*l.* 6*s.* 6½*d.* between debits and credits corresponds with the difference between the Dr. and Cr. balances.

The four items

	£	s.	d.
Debits . . . . .	141	0	11
Credits . . . . .	150	7	5½
Dr. Balances . . . . .	10	15	7
Cr. Balances . . . . .	20	2	1½

sum up the whole of the contents of Form 1, and you can prove the accuracy of the computations in the following way. From the credits deduct the sum underpaid, 'Cr. Balances,' and the result is 130*l.* 5*s.* 4*d.* From the debits deduct the sum overpaid, 'Dr. Balances,' and the result is 130*l.* 5*s.* 4*d.* Thus the credits equal the debits, as they should do. I wonder whether this is quite clear to you, and in case I have not been sufficiently explanatory I will go over the figures again from a less technical point of view.

In theory, then, the Captain should have paid his men 150*l.* 7*s.* 5½*d.*, that being the amount of their just claims or 'Total Credits,' but the item *credit balances*, 20*l.* 2*s.* 1½*d.*, shows that in certain cases the men were not present to receive the money, so that he could only settle claims amounting to 130*l.* 5*s.* 4*d.* and 'carry forward' the remainder. Now let us ascertain whether he settled claims to the amount of 130*l.* 5*s.* 4*d.* The Captain's contra account—*i.e.* the soldiers' 'Total Debits'—amounts to 141*l.* 0*s.* 11*d.*, but this includes 'cash' 88*l.* 8*s.* 3*d.* Now we see by the item '*Dr. Balances*,' 10*l.* 15*s.* 7*d.*, that certain men received more cash than they were entitled to, and if we regard this sum as an unofficial loan to his soldiers on the part of the Captain and deduct it (in theory) we reduce the official issue from

88*l.* 8*s.* 3*d.* to 67*l.* 12*s.* 8*d.*, and the total debits then (in theory) amount to 130*l.* 5*s.* 4*d.*, and so equal total credits 'Q. E. D.,' as they say in Euclid.

You will naturally be struck with one advantage which is possessed by our present system of accounts as illustrated by Form 2—namely, its economy of labour in the cashier's department of the Company. The Captain of this company had to settle soldiers' accounts to the amount of 150*l.* 7*s.* 5½*d.*, but actually issued only 88*l.* 8*s.* 3*d.*, because we insist on paying the soldier's creditors (regimental bills) by the simple process of deducting the amounts from his pay, while in the case of deceased soldiers and deserters the money due to them or their estates is not issued at all, but is accounted for to the King.

## LETTER XII

## HOW TO PREPARE YOUR ACCOUNT WITH THE KING (FORM 3)

Warley, December 1.

MY DEAR —,—My last letter has, I trust, prepared you for the task I promised to set you when I wrote to you in October. You had then settled with your men and sought to recoup yourself for the sums you had paid them. The method of doing so is to present your bill to the King 'through the usual channel,' in this instance the Station Paymaster. You are no doubt by this time too well acquainted with Army Forms to imagine that you will be allowed to fix up your account against H.M. in your own way. You will anticipate that there is a 'sealed pattern' account form, and you are quite right. Turn to page 47 of your Pay List and look at it. You will observe at the top the words FORM THREE, and you must never forget that 'Form 3' contains your account with the King or the Public or the War Office, whichever term you choose to employ, and is quite separate and distinct from any other part of the document labelled Army Form N 1505.

It is this account which is scrutinised (after passing through that fiery furnace known as the Station Paymaster's office) by the WAR OFFICE, whose observations are sometimes severe if errors are detected or erasures made otherwise than in the approved style. Fortunately, it is a very simple account to prepare, and consists mainly of transcribing the figures in Form Two, so far as they apply to the printed headings. You have issued (to take the case I referred to in my last letter) 150*l.* 7*s.* 5*d.*, and you seek to recover it.

*Mais que dis-je ?* The amount of 150*l.* 7*s.* 5*d.* includes two items, 11*s.* 1*d.* and 29*l.* 8*s.* 1*d.*, with which H.M. will have nothing more to do ; for these sums have already been issued out of his Exchequer ; the item 29*l.* 8*s.* 1*d.* has been passed to you by other corps or companies, and the item 11*s.* 1*d.* you have been holding in trust for your men since last settlement. These items have already appeared in Form Three, and must not be inserted again. On the other hand, I can mention several items which H.M. will pay if a claim is made—*e.g.*,

Contingent allowance.  
 Allowance for fitting and marking clothing.  
 Compensation in lieu of clothing.  
 Travelling expenses on 'route.'  
 Funeral expenses of deceased soldier.

Remember, however, that no sum is paid twice, and if, having charged for 'compensation,' for instance, you do not immediately pay it away to soldiers, the sum remains in your hands as trustee, and when you credit the men's accounts the item will appear in Col. 4 as a *company* credit. No doubt some part of the item 29*l.* 8*s.* 1*d.* (above) is in respect of money drawn from the King long ago for the benefit of the soldier, and which has been for some good reason kept in the company strong-box until circumstances warranted its issue.

In making out your bill against the King you will be doing for yourself what previously you did for the soldier as against yourself ; you made out the soldier's credits, and now you must make out your own credits. You may remember also that you had a bill against the soldier which you called his debits, and in a similar way the King has a bill against you which constitutes your debits.

I now turn to Form Three of the Pay List before me and transcribe as follows the Captain's 'credits' :—



	£	s.	d.
Regimental pay . . . . .	83	1	6
Good-conduct pay . . . . .	3	1	5
Contingent allowance . . . . .	0	10	0
Extra duty pay . . . . .	1	8	0
Gratuity to soldiers on discharge . . . . .	3	10	0
Funeral expenses of a soldier . . . . .	1	15	0
Ration allowance . . . . .	10	19	6
Messing allowance . . . . .	9	7	0
Separation allowance . . . . .	0	16	4
Fuel and light allowance . . . . .	3	13	6
Lodging allowance . . . . .	1	1	0
Fitting clothing . . . . .	0	0	11
Marking clothing . . . . .	0	2	5 $\frac{3}{4}$
Compensation in lieu of clothing . . . . .	1	16	0
War gratuity . . . . .	5	0	0
	126	2	7 $\frac{3}{4}$

I turn to the opposite page, and notice the items which are against you. Remember you stopped certain sums from the men in Col. 29, and now the King demands that particular sum from you. Put it down, duly classified, as hospital stoppages, clothing, stores lost, fines, or allotments. Whatever was a 'public stoppage' in the case of the soldiers is your 'debit' as regards the King. Moreover, you must hand over to his custody whatever sums of money you would have paid to soldiers who have since died or deserted. Refer to Cols. 32 and 33 and insert the total sums in the King's bill against you.

I will assume that you are the O. C. Company in the case I am examining, and will transcribe what would be the Dr. side of the King's account :—

	£	s.	d.
Hospital stoppages . . . . .	0	17	6
Clothing sold to soldiers . . . . .	2	4	3 $\frac{1}{4}$
Effects of deserter (sale of kit) . . . . .	0	6	10 $\frac{1}{2}$
Refund of pay and allowances . . . . .	6	3	3
Cr. Balance of deserters . . . . .	0	1	7 $\frac{1}{2}$
Cr. Balance of a deceased soldier . . . . .	16	16	0
Refund of pay, &c. . . . .	5	17	4
	32	6	10 $\frac{1}{4}$

But just as you claimed from the King certain allowances

which did not appear in Form One (since they were not re-issued to soldiers) so the King may claim from you certain sums which do not appear in Form One (since they cannot be debited against soldiers). For example, if you have drawn from the Quartermaster a larger number of free rations than your Company was entitled to, you will have to set down their value in Form Three, on the Dr. side of the King's account, and your pocket will suffer accordingly.

Add up the totals, and you will find your bill against the King is 126*l.* 2*s.* 7 $\frac{3}{4}$ *d.*, officially called 'total charges,' and H.M. bill against you is 32*l.* 6*s.* 10 $\frac{1}{4}$ *d.*, officially called 'total receipts.'

The difference is 93*l.* 15*s.* 9 $\frac{1}{2}$ *d.*, which sum you ought to receive in cash.

Instead of receiving a cheque for this precise amount, however, you are required to make acquaintance with yet another portion of the Pay List, which I will discourse of in my next letter.

## LETTER XIII

THE COMPANY'S BANKER, THE PAYMASTER (FORM 4)

Cardiff, December 15.

MY DEAR —,—I left you last month in the position of a creditor of His Majesty for 93*l.* 15*s.* 9½*d.*, the sum due to you in respect of your Company less the contra account, and I imagine you waiting on the Station Paymaster as the King's treasurer to ask for a cheque. What would happen then I picture as follows: that officer would ask you for your Pay List, and open it at page 49, and beg you to set down there the total amount of your claim. This is Form Four of the Pay List, and into this Form you must transfer the totals of Form 3.

Then he would ask you whether you had any claims against officers commanding other units in respect of soldiers lately under your command. Perhaps a draft has recently been called for, to which you furnished some men, and when you settled their accounts you found one or more of them in your debt. The men have gone to another command, and their officer thereupon becomes responsible for their debts, and is consequently your debtor. Now is the opportunity to recover the debt by inserting 'O. C. — Regt., £ *s. d.*' in Form 4 under the sum you have charged against the King. Again, if you are serving at a dépôt, a sum will be due to you in respect of your Militia recruits (who require a separate Pay List). Insert the amount in Form 4, and the total will be the sum you can demand from the Paymaster. So far we have been dealing with the Cr. side of the account; now for the Dr. side.

First of all, there will appear the total amount of the King's claim upon you, then the claims of officers commanding other units in respect of soldiers who have left their command in debt and joined your Company. You as their new Captain are responsible for the payment of their regimental debts, and so you step into the soldier's shoes; but his creditors, instead of dunning you, will contrive by means of a 'Paymaster's Advance' to adjust their claims by a 'Dr.' entry in Form 4 of your Pay List. [Recall what I said in Letter IV.] The Dr. side of the account will be further weighted by a claim from the Paymaster for any balance due to him, if you overdrew the account last month. If you have Militia recruits in your Company there will certainly be charges against them, of which the total sum appears on the Dr. side of this account. Now you may add up both sides, and see what you have to come. But stay! Did you not requisition some cash from the Paymaster during the month? Of course you did, and it must be set down here in reduction of your Cr. balance. And, further, if your Paymaster is in the habit of settling your Company's bill for groceries, tailoring, &c., you must debit yourself here with those amounts, as also for any sum due to R.E. or A.S.C. for Barrack damages, which is always settled through the Paymaster.

Thus your original claim is whittled away, and so practically there is nothing to come to you; you have had the money in advance and generally the balance is on the wrong side, and you ought to hand him money back, but he is a liberal Paymaster, we will suppose, and will not leave you 'stony,' and the result is a Dr. balance [under 10*l*.] carried forward to next account.

In the case we are dealing with the account is shown as follows:—

	£	s.	d.		£	s.	d.
Due to the King .	32	6	10 $\frac{1}{4}$	Due from the King	126	2	7 $\frac{3}{4}$
— <i>re</i> Militia	0	7	8 $\frac{1}{4}$	— <i>re</i> Militia	18	5	2
Due to Paymaster				O.C. — Regt. .	0	1	0
from last month	4	12	4 $\frac{1}{2}$	O.C. — Compy. .	4	11	2 $\frac{1}{2}$
Barrack damages .	0	3	6				
O.C. — regt. .	0	7	0				
Due to Paymaster—							
Cash advanced .	105	0	0				
Due to canteen for							
groceries . .	13	10	9				
				Balance Dr. .	7	8	1 $\frac{3}{4}$
	156	8	2		156	8	2

I trust that I have now fully explained the uses of the Pay List, pages 1 to 49, consisting of Forms 1, 2, 3, and 4. Form One is the Soldier's Ledger and Clothing Account, showing the detail of his credits and the total of his debits for each month. Form Two is a digest of Form One, summarising the totals and affording a bird's-eye view of the financial situation at the moment of settling with the men. Form Three (headed 'Abstract') is the Captain's account with the King, and is *par excellence* the War Office bill. Form Four may be styled the Captain's bank pass-book, being his account with the Paymaster who may be regarded as the Company's banker; for the entries on the left-hand side may be regarded as drafts on Paymaster, and the entries on the right-hand side may be regarded as the sums 'paid in' to the credit of the Company.

## LETTER XIV

## THE SOLDIER'S BLACK BOOK (PAY AND MESS BOOK)

Weedon, January 1, 1901.

MY DEAR —,—We will now drop the Pay List for the present and turn to a document which is in daily use, and which you must consult before you are able to fill up Cols. 27, 28, 29 of your monthly Pay List. I refer to the Pay and Mess Book, called Army Form N 1504, in which is recorded the detail of cash payments to soldiers and of Regimental bills paid on their behalf, which you will have observed are only put in the Pay List as *totals*. It is also the authority for claiming from the public allowances in lieu of rations. As a general rule, every soldier on pay is also in rations; but there are exceptions. The soldier may be on furlough or in hospital, or on some detached duty, where he is rationed by another Corps. As a general rule also, a soldier in rations is in mess; but again there are exceptions. He may be married and live with his family, or he may be employed where he can cook for himself. It becomes an important matter, therefore, to mark up the P. and M.B. daily so as to show on what days the soldier is in receipt of the free ration and in mess, or on what days he is out of mess and in receipt of the allowance in lieu of rations, in order that Cols. 16 and 17 of Pay List may be filled up correctly. The soldier's subscription of 3*d.* per day to the mess ceases on the days on which he buys his own groceries or is dieted in hospital or prison. The P. and M.B. is also for the purpose of recording every specific sum paid to the soldier in cash during the month and at the settlement, the total sum

only being set against each man's name in Col. 27 of Pay List. The P. and M.B. is also for the purpose of recording at the end of the month the detail of all charges against the soldier and all deductions from his pay. These charges and deductions are classed as Public Stoppages and Regimental bills. If you turn to the summary at the end of the P. and M.B. on the last two pages you will see which are which. They are classified as follows:—

#### PUBLIC STOPPAGES (see page 28)

1. Fine for drunkenness.
2. Hospital stoppages.
3. Debtor balances of deserters rejoined.
4. Stoppages under Militia Law.
5. Clothing and necessaries on repayment.
6. { Clothing damaged or deficient.
- { Free kits obtained by fraudulent enlistment. P 1954.
7. Stores lost, damaged, or deficient. P 1963.
8. Allotments of pay.

#### REGIMENTAL BILLS (see page 28)

1. Messing            days at            .
2. Sergeants' mess account.
3. Washing.
4. Hair-cutting.
5. Shoemaker.
6. Tailor.
7. Library subscription.
8. Cricket Club.
9. Rifle Club.
10. Barrack damages—
  - (a) Individual charge.
  - (b) General charge.
11. Debt to other corps or company as per O 1606.
12. Any other charge, bill, or debt which is to be stopped out of the soldier's pay other than a 'public' stoppage.

These debts are all deducted from the soldier's pay by his Captain, so that he receives in hard cash as pocket money about 70 per cent. of his 'credits.' The total sum stopped from the soldier's pay for the purpose of settling his Regimental Bills is noted in Col. 27 of the Pay List. This sum is disbursed on his behalf by the Captain. The total sum

deducted under the head of Public Stoppages is shown in Col. 28. This sum is retained by the King. The total amount issued to the soldier in cash from the first to the last day in the month is shown in Col. 29 of the Pay List.

The proper keeping of the P. and M.B. is of the utmost importance to the soldier, for it is not difficult to understand what may happen if an inexperienced or careless officer entrusts cash and P. and M.B. into the keeping of an N.C.O. who is untrustworthy. This is the soldier's black book, and every entry therein is against him; you cannot, therefore, watch it too closely to guard against anything in the way of imposition. When the cash entries in P. and M.B. do not correspond with the sums actually handed to the soldier and his creditors, it generally happens that the mistake gives some advantage to the payer, not the payee; and it is notorious that even in the best regulated families such mistakes do occur when officers are not very wide awake. The practice of handing money personally to the men and to tradesmen is the only perfect check upon mistakes of the kind I refer to. In former times, no doubt, when a Pay Sergeant was treasurer of the Company, irregularities of all kinds were committed, but in well-regulated regiments and depôts there is little scope for the ingenious nowadays, and honesty is really the best policy. I have known it to be possible for a heavy tax to be levied on the soldier by means of a Regimental Bill, the Pay Sergeant being the tradesman, and supplying at his own prices canes, pipe-clay, cleaning-bags, &c. These charges would appear under some innocent heading as a Regimental Bill, and although only amounting perhaps to 1s. per man would add quite easily 50*l.* a year to the income of a Pay Sergeant at a big depôt. Nor is this all; for his colleagues in the Q.M. and Armourer's Stores would have their own vested interest in the soldier, and another Regimental Bill would be the result. Militia men were always considered fair game for the lower grades of the Permanent Staff; a charge of 6*d.* or 1*s.* a head for cleaning clothing used to be common; indeed, the wonder is that malpractices have not been greater,



since the P. and M.B. and the Captain's Cash Book are under no sort of check by anyone, if not by the Captain himself.

The total sum stopped from soldiers to pay their Regimental Bills is shown in Col. 28 of the Pay List, and is disposed of in theory by the Captain paying the tradesmen personally (see my September letter) ; but in practice it frequently happens that the Station Paymaster settles the canteen bill and the bills for tailor and shoemaker, in which case the Paymaster, of course, charges the amounts in Form 4 of the Pay List.

The Paymaster also discharges on behalf of the Captain any sum due from the Company to the R.E., or Army Service Corps, as Barrack Damages, and charges the amount in Form 4 of the Pay List.

Form 4 (may I repeat it ?) should be regarded as the banker's pass-book, showing the state of the Captain's account with the Station Paymaster, who is actually the company's banker.

## LETTER XV

## THE COMPANY FUNDS

Bedford, February 1.

MY DEAR —, —I suppose that at this stage of our correspondence you are so far familiar with the principles of Debit and Credit as to be aware that one of the objects of account-keeping is to avoid as far as possible the handling of cash or writing of cheques, and you are also aware that it is customary to have extensive transactions 'on paper.' Need I give you an illustration? If you buy a horse at a fair you must hand over his value in sovereigns; if you buy him at Tattersall's you must fill up a cheque. But if you were a dealer having constant business with the firm at Hyde Park Corner a running account would be established, and the value of a horse purchased by you would be *debited* to your account; you would go home, open your ledger, and 'credit' Tattersall with the same amount. In a similar manner, when you sold a horse at the Corner his value would be placed to your *credit*, and you would go home, open your ledger, and 'debit' Tattersall. Is this clear to you? If you happened to have dealings with another 'coper,' and opened an account with him, you would, no doubt, often buy of him and sell through Tattersall, and *vice versâ*. Your ledger would contain two accounts, and when you bought a 'gee' from your friend, and found a new owner through Tattersall, it would not be necessary to pass any money at the time, for you would open your ledger and *credit* 'Brown' with the sum you had agreed to pay for the horse, and after selling it *debit* Tattersall with the price it fetched under the hammer.

Many transactions of this kind would, no doubt, take place, and sometimes other entries of 'expenses' would be credited to Tattersall, or some allowance for unsoundness would cause you to *debit* your friend Brown with a 'tenner.' At the end of the quarter you would balance your accounts, and either settle at once or agree to carry forward the balance to a new account. Think all this out carefully, please, for I am now coming to a troublesome part of a Company's finance—I mean the Company Funds, and it is most necessary before we start that you should thoroughly realise that when you credit a person you pay him money, when you debit a person you receive money from him, and when an account is open between two persons the credit entries of one are necessarily the debit entries of the other.

The accounts opened with the Funds—(1) Contingent, (2) Barrack Damages, (3) Messing—are kept at the end of Army Book 69, and they include a great variety of items which are derived from many sources. Cash received by you for the Funds or cash paid away by you on behalf of the Funds is recorded in your Cash Book, and thence posted to the account. Remember that a sum *debited* to you in the Cash Book is *credited* to the Fund, and *vice versa*. The cash is debited to you in the Cash Book because you *owe* it—*i.e.*, you have to account for it, and all sums credited to the Funds are *sums that should have been handed to you in cash* and debited in your Cash Book. The fact that such sums do not in practice reach you in the shape of £ s. d. is the cause of untold confusion. If, for instance, the Paymaster handed to you the Contingent allowance and the soldiers handed you their Messing subscriptions and contributions to Barrack Damages, &c., *in hard cash*, you would enter the sums on the left-hand side of your Cash Book, and thence post the entries to the credit of the Funds; but the practice is more often than not for *no money to pass*, since the men have been debited with their contributions, and the King (in Form 3) has been debited with the Contingent Allowance. Thus the debit entries against the soldiers and the King are held to be equivalent to debit

entries in your Cash Book, and accordingly justify an entry to the credit of the Company Funds. So, in regard to the entries of payments out of Funds. You credit the Paymaster (in Form 4) with the sum he pays for Groceries, and you debit the Messing Fund; you credit him also with the sum he pays for Barrack Damages, and you debit the Fund. Other payments made by you in actual cash are recorded, of course, on the Cr. side of your Cash Book, and thus justify a debit entry in the account of the Fund concerned.

This will all get clear to you if you think out the Tattersall illustration.

From the foregoing you will be able to deduce the rule that 'cash received' is equivalent to a 'Dr.' entry in your accounts and 'cash paid' is equivalent to a 'Cr.' entry in your accounts. By the system of Dr. and Cr. account with the various persons you deal with in a Pay List you avoid the handling of a considerable sum of money. A sum of (say) 100*l.* in actual cash enables you to adjust accounts amounting in the aggregate to (say) 150*l.* Turn to Form 4 for an example: if you had to pay your Grocery Bill in cash you would need to draw (say) 20*l.* more cash from the Paymaster, but the result would be the same, for instead of crediting the Paymaster (on page 48) with *Groceries* 20*l.* you would credit him with *cash* 20*l.* The total would not be affected. The Paymaster retains the money, it is true: but he also retains (and settles) the bill!

Remember, too, that you 'credited' the Funds on the strength of debits against the men (P. and M.B.), and the King (Form 3), and yourself (Cash Book). Similarly, you will 'debit' the Funds on the strength of credits in favour of the King (Form 3), the Paymaster (Form 4) and yourself (Cash Book).

It is a thorny subject, and I cannot, I fear, explain it more clearly on paper, but if you ponder my *dicta* and study your Pay Lists it will by-and-by all come to you like a revelation. I should be ashamed to tell you how many hours I used to spend in revolving these problems in my mind before I began to see daylight.

## LETTER XVI

## THE BALANCE SHEET

Norwich, March 1.

MY DEAR——, —A newly promoted Pay Sergeant came to me the other day and said, with reference to his Pay List, ‘I can now do everything in proper style except the Balance Sheet; that is a thing, Sir, which I can *not* understand.’ From the terms of your last letter to me I gather that you will experience the same difficulty, and I am about to try to explain the matter to you. You will not understand it by poring over Form 7 of the Pay List. Throw the Pay List aside for a moment, and look at the situation from a common-sense point of view.

You have doubtless had occasion from time to time to look into your private finances and consider how certain outstanding bills shall be paid. You take stock of your resources; probably you take a piece of paper, put down upon it all your bills, and find out what is the total sum you owe. Then you take another piece of paper, and set down so much cash in pocket, so much at Bank, so much pay due to you, and possibly you may regard as an available asset an expected tip. Having totalled up your resources, you will naturally compare the two sums, and discover whether you can settle your bills without depleting your Bank balance, or whether you have really incurred debts which you cannot pay. It very rarely happens that both sides of the accounts agree to a penny; there is always a Dr. or Cr. balance.

This is what you and most of us do periodically, and yet you have asked me the question, ‘What is a Balance Sheet?’

My reply is, Place the two pieces of paper alongside each other—your resources on the right and your debts on the left. Head the former 'Assets' and the latter 'Liabilities.' There you have a Balance Sheet; and when you have realised this simple fact, you ought to have no difficulty in completing Form 7 of your Pay List. As O.C. Company, having transactions with the Paymaster, the Soldier, and others, you are required to take stock of your resources every month. On the right-hand side of the Balance Sheet you put down 'Cash in Hand' after balancing your Cash Book. Then you turn to Col. 34 on your Pay List to ascertain whether any soldiers owe you money from having been overpaid. If so, insert their names and the amounts, as they are your debtors. Then turn to the Ledger at the end of your Cash Book and see whether any of the Company Funds are in your debt; if so put down the amounts as 'assets.' Finally, turn to page 48 of the Pay List, and if it should appear from an entry against 'Balance Cr.' that the Paymaster is in your debt, insert the amount in your Balance Sheet as due from the Paymaster. These amounts when totalled show your available assets.

Now turn to the left-hand column and enter your liabilities. If on page 49 of Pay List against 'Balance Dr.' any sum appears, insert that sum as due to the Paymaster. Should the Company Funds or any of them be in credit you are liable for the amounts, so put them down. Now turn back to Col. 35 and see if any soldiers have left in your hands any portion of their pay which you have drawn from the public. If so, you are their debtor, and the sums must go down in the Balance Sheet as liabilities. The same remark applies to money drawn by you from the public as compensation in lieu of clothing and not paid over to the soldiers. Turn to page 45—Clothing Account—and insert in your Balance Sheet as a liability the sum shown as the total of the 'Credit Balances' for the month. If your Pay List has been correctly prepared the totals of the two sides of your Balance Sheet should equal one another, thereby proving

that the O.C. Company is in a position to meet all claims upon him.

It will not have escaped your notice, however, that a portion of your assets consist of what merchants call 'book debts'—that is, valid claims upon persons who can pay them only if they are solvent. Securities of this nature, I need hardly say, need careful watching when your debtors are soldiers, as death, or desertion, or discharge may render them utterly valueless, and then you will have to put your hand in your pocket. A careless Pay Sergeant may cause you heavy loss in this direction by advising an over-issue of pay to a 'non-effective.' Militia men are a constant source of danger. I had a case not long since of a Militia man who was discharged from the service after a long stay in hospital. My predecessor had issued pay to him for the whole period of his stay there, forgetting that his pay ceased after forty-nine days. The Pay Office disallowed the entire sum, and consequently this 'asset' had to disappear from the Balance Sheet and be replaced by cash out of my pocket.

Somehow, mistakes in the Pay List generally take the form of disallowances, and disallowances increase the item 'Due to Paymaster.' *Verb. sap.*

I need hardly say that the accuracy of your Balance Sheet depends largely on the accuracy of the other 'forms' in your Pay List, which you cannot possibly vouch for until N 1505 has been returned to you by the Paymaster about the 20th of the month. If your totals on pages 48 and 49 (Form 4) correspond with the totals inserted by the Paymaster in red ink under the head of 'Amount Allowed' you may conclude that your affairs are in excellent order and your Balance Sheet must be correct, at least as far as the Paymaster is concerned; but if, on the other hand, the 'Amount Allowed' differs in any way from the totals you set down, it follows (so far as Public Money is concerned) that you have overpaid or underpaid somebody, and in that case your assets and liabilities must be altered to correspond, and the cash balance adjusted, if necessary, by a draft on your private bankers. I shall reserve a few further remarks on

the Balance Sheet for a future letter, and meanwhile append the Balance Sheet applicable to the account which we examined in Letters XI., XII., and XIII.

<i>Liabilities</i>				<i>Assets</i>				
	£	s.	d.		£	s.	d.	
Due to Paymaster	7	8	1 $\frac{3}{4}$	Due from men	.	10	15	7
Due to Contingent Fund . . . .	0	11	2 $\frac{1}{4}$	Cash in hand	.	11	14	9 $\frac{1}{4}$
Due to Barrack Damages Fund .	0	7	7 $\frac{3}{4}$					
Due to Messing Fund . . . .	0	1	6 $\frac{1}{4}$					
Due to Corporal Hanway . . . .	0	0	7					
Due to Militia . . . .	0	2	0					
Due to men on Pay Account . . . .	3	4	6					
Due to men on Clothing Account	10	14	9 $\frac{1}{4}$					
	22	10	4 $\frac{1}{4}$			22	10	4 $\frac{1}{4}$



## LETTER XVII

## HOW TO CHECK YOUR COMPUTATIONS

Belfast, April 1.

MY DEAR —,—When you have thoroughly mastered the system of account-keeping which is prescribed for the Squadron, Troop, Battery, or Company, you will be able by various 'short cuts' to satisfy yourself that your Colour-Sergeant or other Company accountant is proficient and careful, and if you have not invented any 'check' of your own, you may find the following hints useful:—

1. See that the entries of payments *out*, on the right-hand side of your Cash Book, correspond with Cash Payments and Regimental Bills in the P. and M.B.; any variations must be satisfactorily explained—*e.g.* entries in Cash Book of payments for fitting and marking, or travelling expenses, will be compensated for by a charge on page 47 of the Pay List, since these sums are recovered by you from the King, not from the soldier; and entries in Cash Book of payments to the Company storeman or cook, or payments in respect of 'individual' Barrack Damages, or payments in respect of stationery, &c., must be shown as charged against Company Funds (Messing, Barrack Damage, Contingent) in your Ledger at the end of the Cash Book. Thus every entry in your Cash Book of cash payments may be ear-marked by you in the margin in red ink, 'Pay List,' 'Funds,' or 'P. and M.B.' and no entry incapable of being so vouched should be allowed to stand.

2. See that every entry on the Dr. side of Forms 3 and 4 (pages 46 and 48) is charged against the soldier in P. and M.B.,

or against Company Funds in A.B. 69, or corresponds with an entry of cash received on the left-hand side of your Cash Book—*e.g.* cash from Paymaster would be shown in Cash Book, Groceries and Barrack Damages would be shown in the Ledger, Hospital Stoppages would be shown in P. and M.B. as Public Stoppages, and other charges against soldiers would be shown in P. and M.B. as Regimental Bills or Public Stoppages. Remember that the left-hand side of Forms 3 and 4 is really a bill against yourself, and unless every item in that bill is recovered from a soldier or a fund it will have to be paid by *you*.

3. See that every entry in P. and M.B. under the head of Public Stoppages or Regimental Bills, representing money deducted from the soldiers' pay, is accounted for (1) through the Cash Book, (2) through a credit entry in Company Funds, (3) through a credit entry in Form 3 or 4, by which it reaches the Paymaster, or (4) appears in the Balance Sheet (Pay List, Form 7) under the head of Liabilities.

4. See that entries on left-hand side of Cash Book are credited to Paymaster in Pay List (page 48) or to Company Funds in your Ledger, unless it be a sum of money immediately paid away intact, and so entered on the opposite page—termed a 'contra' entry.

5. See that the Balances of Company Funds, as shown by the Ledger, appear in the Balance Sheet (Pay List, Form 7) as Liabilities (if funds in credit) or as Assets (if funds in debt).

6. See that the Cash Book is correctly balanced, and the balance, if any, is shown in Balance Sheet (Pay List, Form 7) as 'Cash in Hand' if a surplus or as *Due to O.C. Company* if deficient.

7. See that the contents of Cols. 34 and 35 are shown in the Balance Sheet (Pay List, Form 7)—money due by the soldier under the head of Assets, and money due to the soldier under the head of Liabilities; also show the contents of Col. 40 in the Balance Sheet under the head of Liabilities, as it is due to soldiers on Clothing Accounts.

8. See that the item Balance Cr. or Balance Dr., on page 48 or 49 Pay List, is shown in the Balance Sheet :

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Balance Cr., as due from Paymaster, under Assets ; Balance Dr., as due to Paymaster, under Liabilities.

9. See that the Company Funds are credited with the sum you charge the King as Contingent Allowance on page 47 of your Pay List.

## LETTER XVIII

## PAYMASTERS' DECISIONS

Gesport, May 1.

MY DEAR —,—About the 20th of the month your Pay List will be returned from the Pay Office 'examined and passed,' and containing a certificate in the Paymaster's handwriting on page 49. If correct in every respect his Balance Cr. or Dr. will agree with the figures shown in your own account as rendered, but very rarely is this the case. There is nearly always a difference, and if you seek the reason why, you must carefully notice the red-ink figures of the Paymaster on Forms 3 and 4, pages 46 to 49. In the bills against you, on the left-hand, or Dr., side, you will find amounts struck out in the column *over credits deducted*, or inserted in the column *under credits added*. Similarly, on turning to your bills against the King and the Paymaster, you will find that he has disallowed some of your claims, inserting the amounts in the column *over charges deducted*, or he will have given you certain moneys which you had not claimed, inserting the amounts in the column *under charges added*.

Every one of these sums allowed or disallowed will have been the subject of previous correspondence with you in Form 9, 'Paymaster's Observations,' but in the result the Paymaster's decisions are final, and his certificate will correspond with his decisions. For example, you may have rendered your Pay List showing yourself indebted to the Paymaster 50*l.*, but his decisions as to matters in dispute may reduce this liability to 30*l.* or increase it to 70*l.* I need

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scarcely say that Form 7 of the Pay List (Balance Sheet) will be entirely upset by this apparent addition to your assets or liabilities, and the best thing you can do is at once to *reconstruct the Balance Sheet* on the basis of the Paymaster's certificate, and show how the difference of 20*l.* is to be made good, inserting the names of your new creditors in the list of liabilities or of new debtors in the list of assets. It is very rarely indeed that the sum allowed or claimed by the Paymaster goes into or comes out of your own pocket; the sum claimed or given up by the Paymaster is generally found to be due to or from other parties, so that in place of one creditor or debtor for 20*l.* you will perhaps find you have ten at 2*l.* each. When you have thus satisfactorily revised your Balance Sheet you may consider your Pay List for the month absolutely closed; unless it is re-opened later on by the Accountant-General at the War Office.

By way of illustrating the procedure necessary to give effect to the Paymaster's decisions, let us suppose that the Pay List which I have had under review in Letters XI., XII., XIII., and XVI. was found incorrect in the following particulars:—

(1) Brown had been over-credited with three days' pay at 1*s.*

(2) Smith had been under-credited with seven days' ration allowance at 6*d.*

(3) Robinson had been the subject of a P. M. A. (see page 21) for 10*s.*, from his former unit in India, say for 'Clothing Compensation.'

(4) Jones, a time-expired man, had been over-credited with 'Gratuity on discharge' to the extent of 10*s.*

In order to adjust these inaccuracies discovered by the Paymaster, the Balance Sheet (see page 63) would need to be altered on the following principles:—You have to pay Smith 3*s.* 6*d.* and Robinson 10*s.*, therefore add these items to your *Liabilities*. You have to recover from Brown 3*s.*, and Jones 10*s.*, therefore add these items to your *Assets*. But there is still something to be done. The Paymaster having credited you (in Form 4) with 13*s.* 6*d.* and disallowed

only 13s., it follows that you are a gainer by 6d., and, therefore, the item in the old Balance Sheet *Due to Paymaster* 7l. 8s. 1 $\frac{3}{4}$ d., should now read 7l. 7s. 7 $\frac{3}{4}$ d. The two sides of the Balance Sheet will now agree, after the re-construction. In order to simplify this explanation, I told you to insert the item 'Jones 10s.' as an *Asset*, but since Jones was discharged and became a civilian it is to be feared that this is what the War Office would call a *fictitious Asset*, since there is no means of recovering the money. In commercial language it is a 'bad debt,' and as the O. C. Company is responsible for the over-issue (see page 41) you will have sooner or later to pay the amount into the Company cash box, and so increase the item *Cash in hand* from 11l. 14s. 9 $\frac{1}{4}$ d. to 12l. 4s. 9 $\frac{1}{4}$ d. You may as well do this 'first as last' and let the fictitious Asset be obliterated from the Balance Sheet.

## LETTER XIX

## THE PAY LIST DISSECTED

Taunton, June 1.

MY DEAR —,—In my recent letters dealing with Form 3 and Form 4 and Form 7 of the Pay List, I have, I fear, dropped unconsciously into the jargon of the Pay Office clerk—a thing I detest. I would not have undertaken this correspondence if the result was only to cause you to become an empirical accountant. I have tried sedulously to inculcate principles, to appeal to reason and common sense, because when once you have grasped the fundamental rules that underlie all systems of account-keeping, you will be able to master every financial question that may arise by the application of the principles you have learnt. Once again, then, let me try to show how Forms 3, 4, and 7 are but forms, and by dissecting them exhibit the rationale of the matter. I have just taken to pieces, metaphorically speaking, an old Pay List, and now the pieces lie before me. I will construct a simple account out of them, and afterwards rebuild in the manner required by A. F. N 1505.

I put myself in your place and imagine myself the O.C. Company. Having settled affairs with my men in my own way at the end of the month, I seek to recover from the King and others the amount disbursed, and account for cash advanced to me by the Station Paymaster.

Now, what is it that I am entitled to receive from every possible source? Who are my debtors? I will set down

particulars in my own way, putting the name of my debtor in the margin.

		£	s.	d.
	*Regimental pay . . .	126	18	2
	*Good-conduct pay . . .	3	14	6
	*Contingent allowance . . .	0	10	0
	*Regimental extra duty pay . . .	2	2	0
	*Ration allowance . . .	23	2	0
	*Messing . . .	15	8	0
The King . . .	*Fuel and light allowance . . .	3	18	2
	*Lodging . . .	0	14	0
	*Fitting and marking clothing (allowance for) . . .	2	1	1
	*Compensation in lieu of cloth- ing . . .	8	3	9
	*Travelling expenses, as per routes . . .	2	5	0
Paymaster . . .	†Militia pay bounty . . .	23	18	3½
	†Debt of Private Good (transferred to 2nd battalion) . . .	0	0	6½
2nd battalion . . .	†Debt of Private Robinson (trans- ferred to 2nd battalion) . . .	0	3	6½
	†Clothing credit of Private Rowe (transferred from 2nd bat- talion) . . .	0	14	10
'B' company . . .	†Kit purchased by men of 'B' company . . .	0	2	1
Men of company . . .	†Debts as per Form 1 . . .	13	10	8
Private Levis . . .	†Money lent . . .	2	12	0
„ Sturgess . . .	† „ „ . . .	0	6	3
		230	4	10

So it appears that I have to receive 230*l.* 4*s.* 10*d.* from various quarters—*viz.*, the King, other corps and companies, and private soldiers. Now, let us turn to the reverse side of the picture and see what I have to pay or account for. Who are my creditors?

As before, I will set down the name of my creditor, the particulars of his claim against me, and the amount.



		£	s.	d.
The King . . .	*Hospital stoppages . . .	0	9	4
	*Clothing, &c., supplied . . .	3	19	9 $\frac{3}{4}$
	*Effects, &c., of deserter . . .	0	2	9
	*Sale of clothing of deserter . . .	0	5	11
	*Refund of fuel and light allowance overissued . . .	0	10	6
Paymaster . . .	†Balance unpaid last month . . .	17	3	6 $\frac{3}{4}$
3rd battalion . . .	†Militia . . .	0	4	5
Canteen . . .	†Groceries . . .	17	5	0
R.E. . .	†Barrack damages . . .	0	10	2
Recruiting staff officer . . .	†Advances to recruits before joining . . .	2	10	6
Paymaster . . .	†Cash advanced during the month . . .	180	0	0
Company funds . . .	†Messing account . . .	0	9	4
	†Contingent account . . .	0	15	8 $\frac{1}{2}$
	†Barrack damages account . . .	0	3	7 $\frac{3}{4}$
	†Suspense account . . .	0	15	0
Men of company {	†Credit balances on clothing accounts, as per Form 1 . . .	13	19	9 $\frac{1}{2}$
		239	5	5 $\frac{1}{4}$
There is a difference, you will see, of £9 0s. 7 $\frac{1}{4}$ d., and that is the sum that should be in my cash box. It is there. So I deduct that amount from my liabilities . . .		9	0	7 $\frac{1}{4}$
		230	4	10

The result of the above investigation is to show that as O. C. Company, I can, from the accountant's point of view, pay every penny I owe, and, if I had to set forth the state of the finances of a company so as to make them understandable by the average M.P., that is the way I should do it. As in sumptuary matters, so in matters financial, *Odi Persicos apparatus*. There is, however, one fatal defect in the form of account I have just adopted, a defect which the expert accountants at the War Office have long ago perceived: the account in its present form does not distinguish between public money, Company Funds, and the officer's own private purse. The financial stability of a person whose assets are not in coin of the realm or freehold property depends wholly upon the solvency of his debtors; if they default he is rendered insolvent. How does my account appear from that point of view? I can set off 'Public claim' against 'Public claim,' but I cannot set off the debts of soldiers or of Company Funds to me against my debt to the King or public.

You may recall what I said on page 41 about the one-sided bargain between officers and the King. If my men, who owe me 16*l.* 8*s.* 11*d.*, fail to pay me, I cannot complain. I may not appeal *ad misericordiam* to the War Office, and ask to be let off so much of my debt to the public. The Station Paymaster, as the King's auditor, would not listen for a moment to such a proposal, but would demand immediate settlement of the 'public' claim *coûte que coûte*, and you can therefore see how important it is from the War Office point of view to prescribe a form of account which shows immediately the Captain's indebtedness to the public.

In order, therefore, to conform to the requirements of the statisticians at the War Office, we have to juggle with the figures and rebuild our edifice, *à la* Pay List, into the three separate watertight compartments called Abstract or Form 3, General State or Form 4, Balance Sheet or Form 7.

Now try to do this for yourself, putting the items marked \* into Form 3, the items marked † into Form 4, and the items marked ‡ into Form 7.

The result will shape itself out as follows :—

ABSTRACT. FORM 3.					
<i>Dr.</i>			<i>Cr.</i>		
	£	s. d.		£	s. d.
Public stoppages .	5	8 3½	Pay and allowances	188	16 8

GENERAL STATE. FORM 4.					
Paymaster's advances .	180	0 0	Militia pay, &c. .	24	19 3
Bills paid by Paymaster .	20	10 1	Due to Paymaster on this account .	9	6 0½
<i>Dr.</i> balance last month .	17	3 6¾			
	223	1 11½		223	1 11½

COMPANY BALANCE SHEET. FORM 7.					
Due to Paymaster .	9	6 0½	Debts of men .	16	8 11
Due to men			Cash in hand .	9	0 7¼
Company Funds	16	3 5¾			
	25	9 6¼		25	9 6¼

You will now perceive the object of the separate forms of accounts in the Pay List, called Form 3, Form 4, and Form 7. By carrying Form 3 (the King's account) into Form 4, and then 'balancing' the two combined, any sum due to the Paymaster—a debt to the public—is at once disclosed. In the case before us the debt is under 10*l.*, and is shown by Form 7 to be balanced within a few shillings by *cash in hand*, which is quite satisfactory from the War Office point of view, but had the debt been 20*l.* your 'reasons in writing' would have been requested, for you are not allowed to incur a large debt to the public, and set off against it 'advances to men' or 'Company Funds.' If you advance money to soldiers in excess of their ordinary pay which you are entitled to recover from the King, you do so at your own risk, and the soldier must be shown as a private creditor of the Company until the amount has been refunded through the medium of a 'Regimental Bill,' and it follows that if an accident removes the soldier from your control before his debt has been paid, you must at once take the soldier's name out of the list of debtors, and replace it by your own—in other words, you must make good the sum out of your own pocket, as in the case mentioned at the end of my last Letter.

## LETTER XX

## HOW TO TAKE OVER A COMPANY

Woolwich, July 1.

MY DEAR —.—*Ex pede Herculem.* I should immediately sum up a man's proficiency as an army accountant by the manner in which he set about taking over a company, and if you will follow my observations in this letter with your Pay Lists, &c., beside you, you will be able to judge for yourself of your own proficiency, which your recent letters to me show to be now considerable. Take up the last Pay List which has come out of the Pay Office with the Paymaster's 'decisions' upon it. Procure a piece of paper, double it down the centre, and head it 'Liabilities'—'Assets,' to make a Balance Sheet. Insert under one or other head the 'Balance Dr.' or 'Balance Cr.,' certified by the Paymaster. Now refer to Form 2 of Pay List, and insert as 'Assets' the balances due from the men, and as 'Liabilities' the balances due to the men. Turn now to your Cash Book and insert in your improvised Balance Sheet as an 'asset' the cash balance in hand at date of Pay List.

Turn again to the Form 2 and insert as 'Liabilities' the balances due to soldiers on their clothing accounts. Now turn to the Ledger in which you keep the account of the Funds, and insert balances as 'Liabilities' or 'Assets.' All this is simple enough, but the *crux* is to come. Go over the Paymaster's decisions one by one, and when he *disallows* a sum insert that sum as an 'asset.' Why? Because it is already reckoned as a liability against yourself in the *revised* balance due to or from Paymaster, and what you have to do is to

recover it from the soldier: the soldier owes it to you, therefor it is an asset until paid. By a parity of reasoning, any sum *allowed* by the Paymaster becomes a 'liability' on your part, because you have already been given credit for it in the amended balance, and you owe it to the soldier. I have used the expression 'the soldier,' assuming that the allowance or disallowance is in regard to the emoluments of a soldier still on the strength of the Company, and can, therefore, be recovered from or paid to the man; but if the allowance or disallowance *cannot* be thus placed to the debit or credit of a soldier, it follows that the 'O. C. Company' is the person whose pocket pays (or the reverse) and the entry will in that case be made 'O. C. Company' against the sum allowed or disallowed. This is rather important when a company is changing hands!

No items other than the above ought to appear in a Company Balance Sheet, and the two sides of the account should agree. If they do not, the adjustment must be at once made in cash, excess of assets being paid by you to, and excess of liabilities being paid to you by, the officer handing over. Naturally he would in any case pay or receive the sums standing against his name in the Balance Sheet.

But remember that so far we have been dealing only with the Company as it stood at the date of the Pay List last audited by the Paymaster, and whatever errors may have been committed since that date (generally three weeks back) have still to be adjusted. In going over the old Pay List you will have formed your own opinion, of course, as to the general accuracy of your predecessor and his Company accountant, and you must judge as to the degree of care you ought now to exercise in investigating the affairs of the Company for the period intervening. But certain things should never be neglected, *viz.*:—

(a) See that all entries for at least a month back in the Ledger (A.B. 69) reducing the credit of the Company Funds correspond with similar entries in Cash Book or Pay List, Form 4, showing the sums to have been paid.

(b) See that all sums standing in your Balance Sheet as

due from soldiers have been entered against their names in the current Pay List as 'Debits' or in the current P. and M.B. as Regimental Bills.

(c) Ascertain from Paymaster if any soldiers' debts have been 'accepted' recently, and if so, see that they agree with entries in current P. & M.B. (Regimental Bills).

(d) See that no credit to a soldier appears in Col. 4 of Pay List ('Other Credits') which is not vouched by your Balance Sheet or by a more recent Paymaster's remittance, or by an entry in Cash Book under 'Receipts.'

(e) Take over in cash :

(a) The balance at date of last Pay List.

(b) Sums (if required) to adjust your Balance Sheet.

(c) Sums received from Paymaster and others since date of last Balance Sheet, *less* sums disbursed for pay, &c., in respect of current month.

(f) Finally, you should require the officer handing over to certify that he will be personally responsible for any Company debts not recorded in the proper books at the date of taking over, and for any sums which may ultimately be disallowed by the Paymaster or War Office in respect of the period of his command.

## LETTER XXI

## THE CAPTAIN'S REAL RESPONSIBILITY

Dublin, August.

MY DEAR —,—A good deal of the carelessness one finds among officers in regard to their pay duties is, I am convinced, owing to a mistaken idea they have as to the functions of a Paymaster. It is too commonly assumed that any errors that may arise in a Pay List will be 'spotted' by the staff of the Pay Office. That depends. Remember that N.C.O.'s in a Pay Office are members of the Sergeants' Mess, and, doubtless, have their friends and enemies among the Pay Sergeants: they can be helpful or the reverse, unofficially, of course. As officials they are bound by the traditions of their office and by the functions of the Paymaster, as laid down in 'Financial Instructions.' What are the functions, then, of the Paymaster? First of all, he is your banker, and will advance you any sum in reason that you requisition for the pay of your Company, either personally or through your Adjutant. Then he is the King's auditor, and subjects your Pay List to a rigid scrutiny, with the sole object of ascertaining that every charge is correct according to the Pay Warrant and the Allowance Regulations. He checks your computations, having by his side extracts from Regimental Orders which affect forfeiture of pay, ration allowance, &c. He is the medium by which you remit sums due to, and recover sums due from, other corps or companies. He collects the 'Stoppages due to the Public,' and sometimes (according to local practice) the sums due to regimental tradesmen and to the Canteen President, also sums due to the R.E. for Barrack Damages.

The result of his investigations is made known to you in Form 9 in the shape of 'Observations,' to which you have to reply; finally his adjustment of your accounts appears as 'Decisions,' and generally your Balance Dr. or Balance Cr. is rectified to correspond; all his annotations are easily traceable, as they are made in red ink, and when he returns to you the duplicate Pay List he forwards the original to the War Office. There his duties end, unless the War Office call his attention to undetected errors later on. He does not meddle with your Cash Book or your P. and M.B. Moreover he carefully avoids meddling with that important column (Col. 4) in the Pay List 'Other Credits'; in short, as long as the King is protected—as long as you do not draw more from the public than the Regulations justify—he asks no questions, and you may throw the money away so far as he is concerned. This is where the Captain's *real* responsibility begins. It is for you to see that the money actually reaches the soldiers—by paying them personally—and that such regimental bills as the Paymaster does not settle through the Pay List are settled in cash, and that the money reaches the parties to whom it is actually due. Keep the cash in your own hands, enter every payment in the Cash Book yourself, and if then the balance on hand at the end of the month does not suffice to close the Balance Sheet, you will know that *something is wrong*, and you must then investigate the accounts for yourself.

Of course the Cash Book should always be in your own possession, and the balance should be *unknown* to the Company accountant. It is for him to inform you what amount of cash you *ought* to have after the Pay List is closed. If you leave your Cash Book about you are helpless for a Pay List can always be made to square with a *known* cash balance by entries in 'Other Credits,' 'Funds' accounts, or 'Regimental Bills,' *which the Paymaster does not check*.

I wonder whether you think I am 'imputing motives' in thus advising you. I impute nothing, but I speak of what I know, and by way of emphasising my concluding



remarks, for 'this correspondence must now cease,' I will mention a case that occurred quite recently. During the recent 'emergency' it was not unusual for a soldier to be discharged when in debt owing to advances *en route* from South Africa to his dépôt. Such debts were, by a Special Order, to be shown in the Pay List as debts against the public. But it was easy for a Pay Sergeant to 'write it off' unknown to his Captain by an entry in 'Other Credits,' and thus create a deficit in the Balance Sheet: the Paymaster, of course, disclaimed responsibility for entries in 'Other [Company] Credits' column when the matter was pointed out to him. In this case it was nothing but pure blundering on the part of the Pay Sergeant, but it was a blunder which, had it not been accidentally discovered, would have cost the Captain a month's pay. Far otherwise is it, I fear (unless things have greatly altered since my day), with the Militia, whose officers necessarily hand over all their books and cash balances to Pay Sergeants on the last day of the training. The matter does not bear thinking about. I have seen my P. and M.B. after the training with my own figures in 'Cash Payments' altered by erasures with a penknife; and on taxing the Pay Sergeant with the matter he has confessed to the 'irregularity' in terms which—if he spoke the truth—implicated a clerk in the Pay Office as his confederate. And yet commanding officers are found to exist who deprecate 'interference with the Pay Sergeants' on the part of officers commanding companies.

I have said my say on this unpleasant matter, and perhaps you will think my remarks too severe, but I have said nothing, I have imputed nothing, that I could not prove if the necessity arose. It has been my mission somehow to find these things out by the simple process of not closing my eyes to them; and as my service at several dépôts has caused me to have official relations with a long string of Pay Sergeants belonging to half a dozen different regiments, my censures must be taken as of general application.

## LETTER XXII

## CONCLUSION

Northampton, September 1.

MY DEAR —,—This must be the last of my epistles to you upon the fascinating subject of Company Finance. It is not easy to impart a knowledge of accounts by casual correspondence, but I have done my best for you. Although I may not have exhausted the subject, I have packed into these few letters the experience of sixteen years—experience dearly bought bit by bit, for I had no teacher. There is no text-book, no instructor, in army account-keeping. I wonder why not. We are all carefully crammed for tactics, &c., and I fancy I have at times been shown how to handle a brigade, at a war game, but a knowledge of troop-leading on a large scale has been of no use to me or my country, while I venture to believe that my self-instruction in accounts has enabled me to ‘do the State some service’ in various capacities. There is doubtless a moral to be drawn from this, and if you can only extract it I think it will profit you by-and-by. The future, so far as one can judge from current events, is to the organising, not the fighting soldier, and as at present there are to be found fifty of the latter to one of the former, your own common sense will show you that the ‘line of least resistance’ in the army at the present time is the line which I am urging you to pursue. But you must begin at once before you have acquired those habits which are best described by the expression ‘letting things slide.’ Later on in life you will find it difficult to eradicate any careless habits you may form now, and especially hard is it to overcome habits engendered by intellectual sloth. Believe me,

the exercise of your reasoning faculties upon the documents associated with a Company Pay List while you are a subaltern will strengthen your mind and give you a habit of concentration of thought, and cultivate in you a power of grasping general principles which you will find indispensable when your turn comes to command. Besides, it will give you, as O. C. Company, a genuine feeling of satisfaction, I am sure, to realise to its full extent the paternal feeling so well described by M. de Tréville in '*Les Trois Mousquetaires*.' Do you remember when he says, '*un capitaine n'est rien qu'un père de famille chargé d'une plus grande responsabilité qu'un père de famille ordinaire. Les soldats sont de grands enfants. . . ?*' In the meantime, as I said in my first letter, your path will not be altogether strewn with roses; you will have many obstacles to overcome; for superstitions die hard, and it has always been a superstition in the army that a clear head for accounts and the ability to write a decent letter presuppose a deficiency somewhere in what are called 'soldierly' qualities. It is my fervent hope that these letters, which Messrs. Kegan Paul, Trench, Trübner & Co. have offered to include in their Military Handbook series, will help to kill this prejudice, by inciting you and others to devote at least as much attention to company accounts as you devote to whist or billiards, and I am sure that you can do so without impairing your faculties for rational enjoyment; and when it is perceived that a mastery of N 1505 does not prevent your handling your company on manœuvres, or riding straight to hounds, the little world in which we live and move and have our being will grow to believe that after all there is 'something in it.' Au revoir.







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